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MACKENZIE VALLEY PIPELINE INQUIRY

Government
Publication

IN THE MATTER OF APPLICATIONS BY EACH OF

- (a) CANADIAN ARCTIC GAS PIPELINE LIMITED FOR A RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS CROWN LANDS WITHIN THE YUKON TERRITORY AND THE NORTHWEST TERRITORIES, and
- (b) FOOTHILLS PIPE LINES LTD. FOR A RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS CROWN LANDS WITHIN THE NORTHWEST TERRITORIES

FOR THE PURPOSE OF A PROPOSED MACKENZIE VALLEY PIPELINE

and

IN THE MATTER OF THE SOCIAL, ENVIRONMENTAL AND ECONOMIC IMPACT REGIONALLY OF THE CONSTRUCTION, OPERATION AND SUBSEQUENT ABANDONMENT OF THE ABOVE PROPOSED PIPELINE

(Before the Honourable Mr. Justice Berger, Commissioner)

Yellowknife, N.W.T.,

August 27, 1976.

PROCEEDINGS AT INQUIRY

Volume 179

347
M835
Vol. 179

CANADIAN ARCTIC
GAS STUDY LTD.

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APPEARANCES:

- Mr. Ian G. Scott, Q.C.,
Mr. Stephen T. Goudge,
Mr. Alick Ryder, and
Mr. Ian Roland, for Mackenzie Valley Pipeline Inquiry;
- Mr. Pierre Genest, Q.C.,
Mr. Jack Marshall,
Mr. Darryl Carter, and
Mr. J.T. Steeves, for Canadian Arctic Gas Pipeline Limited;
- Mr. Reginald Gibbs, Q.C.,
Mr. Alan Hollingworth, and
Mr. John W. Lutes, for Foothills Pipe Lines Ltd.;
- Mr. Russell Anthony,
Prof. Alastair Lucas and
Mr. Garth Evans, for Canadian Arctic Resources Committee;
- Mr. Glen W. Bell and
Mr. Gerry Sutton, for Northwest Territories Indian Brotherhood, and Metis Association of the Northwest Territories;
- Mr. John Bayly and
Miss Lesley Lane, for Inuit Tapirisat of Canada, and The Committee for Original Peoples Entitlement;
- Mr. Ron Veale and
Mr. Allen Lueck, for The Council for the Yukon Indians;
- Mr. Carson Templeton, for Environment Protection Board;
- Mr. David H. Searle, Q.C., for Northwest Territories Chamber of Commerce;
- Mr. Murray Sigler and
Mr. David Reesor, for The Association of Municipalities;
- Mr. John Ballem, Q.C., for Producer Companies (Imperial, Shell & Gulf);
- Mrs. Joanne MacQuarrie, for Mental Health Association of the Northwest Territories.

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Lowling, Dennis
In Chief

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DIRECT EXAMINATION BY MR. SCOTT (CONTINUED).

Q Mr. Runge, I think the place to begin is at the top of page 17, even though you may have read the first sentence or two of that page. Would you begin there with "Housing Programs", please?

THE COMMISSIONER: Let me catch up with you there. What was that page?

MR. SCOTT: 17.

WITNESS RUNGE: O.K., does everyone have the change to page 17? That's been distributed, has it?

MR. SCOTT: Well, let's deal with that when we get to it, Mr. Runge.

A Yes.

THE COMMISSIONER: 17 and 18 first, O.K.

A All right. This is Part V, "Housing Programs".

A brief history of the Territories. A brief history of the Northwest Housing Corporation and its programs. The only major housing assistance available to residents of the Northwest Territories prior to 1961 was in the form of repayable low-cost housing trust mortgage

Lowing, Runge
In Chief

Yellowknife, N.W.T.

August 27, 1976.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

DENNIS LOWING

DALLARD FRANCIS RUNGE, resumed:

DIRECT EXAMINATION BY MR. SCOTT (CONTINUED):

Q Mr. Runge, I think the place to begin is at the top of page 27, even though you may have read the first sentence or two of that page. Would you begin there with "Housing Programs", please?

THE COMMISSIONER: Let me catch up with you there. What was that page?

MR. SCOTT: 27.

WITNESS RUNGE: O.K., does everyone have the change to page 29? That's been distributed, has it?

MR. SCOTT: Well, let's deal with that when we get to it, Mr. Runge.

A O.K.

THE COMMISSIONER: 27 and 28 first, O.K.

A All right. This is Part V, "Housing Programs".

A brief history of the Territories Northwest Housing Corporation and its programs. The only major housing assistance available to residents of the Northwest Territories prior to 1965 was in the form of repayable low-cost housing first mortgage

Lowing, Runge
In Chief

1 loans combined with a forgivable second mortgage loan.

2 On October 12, 1965, Treasury
3 Board approved an Eskimo rental housing program with
4 1,158 units. An additional 400 units were approved
5 when the Indians were given access to the program on
6 February 28, 1968, which was renamed the northern
7 rental housing program. On January 16, 1969, the
8 Metis became eligible for assistance and 300 more units
9 were approved. This program provided rent geared to
10 income housing.

11 MR. SCOTT: Q Now, Mr. Runge,
12 that 1,158 plus 300 plus 400, you get 1,858, how do
13 you get the figure that is shown on your chart for
14 total housing, 2,634?

15 A Some of that housing,
16 the 800 housing units were either turned over during
17 that period of time to our corporation by the Federal
18 Government or Territorial Government, it had been
19 used as staff housing, so some of it was picked up from
20 the government; also prior to 1965 the Department of
21 Indian & Northern Affairs -- Indian Affairs & Northern
22 Development, rather -- built housing which it actually
23 gave to the native people. That housing was operated
24 by those persons themselves and over time as the
25 Housing Association had developed in the various
26 settlements, and as our programs for supplying housing
27 on a rent geared to income basis, developed, a number
28 of those houses were turned over to our corporation
29 because we provided assistance in paying for the fuel
30 bills and that sort of thing.

Lowing, Runge
In Chief

1 Q Does it summarize it
2 this way, that a portion of the 800 houses that make
3 the difference were houses that were built by government
4 and given to native people, as native people found that
5 that gift carried with it the personal obligation to
6 pay the servicing and the charges they were either
7 unable or unwilling to do that and consequently they
8 gave the houses back to the housing program so that
9 they could have the advantage of social housing?

10 A Yes, that would be fair.

11 Q All right, carry on,
12 please.

13 A The program ceased on
14 April 1, 1975 after the Northwest Territories Housing
15 Corporation was created on January 1, 1974, implement-
16 ing a policy of using only National Housing Act
17 programs and loans for the funding of new construction.
18 The former programs continued under their former terms
19 and conditions while the N.H.A. programs operated under
20 terms and conditions applicable on a national basis,
21 particularly with respect to rental rates.

22 Under the Northwest Territories
23 Housing Corporation Ordinance, the corporation received
24 a grant from the Territorial Government for the
25 Territorial share of capital operations and maintenance
26 and borrows capital and receives subsidies under the
27 N.H.A.

28 The programs are designed
29 and developed centrally, that is in Yellowknife; how-
30 ever, construction of housing is now almost entirely

Lowing, Runge
In Chief

1 local and management and maintenance is achieved
2 through five regional offices and settlement housing
3 associations which function as local non-profit
4 companies.

5 Q And when you say that
6 construction of the houses is local, what does that
7 mean?

8 A It means that we tender
9 the housing in each of the settlements and last year
10 there were only two settlements in the Northwest
11 Territories where a southern contractor was responsible
12 for the contract, and even in those cases the labor
13 used on the construction, in the construction of
14 houses was dominated by local persons ..

15 Q So that the houses were
16 built by local people.

17 A That's correct.

18 Q How does that compare
19 with the policy of the Territorial and Federal Govern-
20 ments with respect to the construction of staff housing?

21 A As I understand it --
22 and Dennis may help me here -- the Territorial Govern-
23 ment largely uses southern contractors and directs
24 its housing through them.

25 Q All right, thank you.

26 A While the Northwest
27 Territories Housing Corporation has been created to
28 deliver housing and subsidize its operations by making
29 use of both funds available under the N.H.A. and from
30 the Treasury Board through the Territorial Governm ent,

Lowing, Runge
In Chief

1 not all government housing is under this authority.
2 Both the Federal and Territorial Governments build
3 and lease housing for government staff, while other
4 large employers have similar policies for staff.

5 The effect of the staff housing
6 policies have been to encourage renting over private
7 ownership, while federal policies differ slightly from
8 those of the Government of the N.W.T., the latter
9 are used here as an example of the condition in
10 this section.

1
2 Q Stopping there, Mr. Runge,
3 is it possible, is there any basis for comparing the
4 cost of housing constructed by the corporation using
5 local manpower in the communities on the one hand as
6 done by the corporation and the cost of similar or the
7 same housing constructed by the Territorial or Federal
8 governments using southern contractors.

9 A Those figures could
10 likely be obtained through the Department of Public
11 Works. As I understand it, Mr. Lorne Matthews has
12 been putting together some information on that for
13 the Regional Planning operation of the Territorial
14 government and I understood that that evidence was
15 going to be put in to you later.

16 Q All right.

17 A It may not be but --

18 Q You don't know how those
19 figures compare, which is more expensive and which
20 is less?

21 A It's my understanding
22 that they're more expensive.

23 Q The Territorial govern-
24 ment and Federal government construction programme
25 for a similar house is more expensive?

26 A It's my understanding
27 that it is, that's correct.

28 Q Yes, all right.

29 A Staff housing, the present
30 staff stock of N.W.T. government staff housing is

Lowing & Runge
In Chief

1 approximately 1,700 units. The average revenue from
2 a 1,390 square foot house in Yellowknife is \$147.00,
3 while the value of the accommodation considered,
4 considering a \$45,000.00 house is approximately \$560.00 ,
5 including taxes and maintenance at \$50.00 and \$40.00
6 per month. Those figures may be slightly low.

7 The subsidy value is therefore
8 \$313.00. This subsidy is nontaxible and is worth even
9 more to the higher income earner than to the lower
10 income earner.

11 As a step in encouraging
12 homeownership, the government has developed a new
13 programme offering employees with no dependents \$100.00,
14 two dependents, \$200.00 and three or more dependents,
15 \$300.00 for a private accommodation allowance to
16 encourage homeownership.

17 Q Now we have a new page
18 29 to reflect an erroneous calculation of the facts.
19 Does everybody have that, Mr. Commissioner, as far
20 as you know? All right, carry on reading from the
21 new page 29 please.

22 A Yes. If I might just
23 note at the beginning, before we get into page 29. The
24 basic changes in the column under home ownership
25 where the \$16.88 has been removed from the earlier page
26 and the new total would be \$221.34.

27 Q Yes.

28 A To compare the advantages
29 of this programme, we examined each situation for
30 a family who's marginal tax level was 32.75 percent.

Lowling & Runge
In Chief

1 Taxable income would have been between \$8,219.00 and
2 \$10,565.00. That's a pretty low income level. The
3 condition would be even more favourable in terms of
4 the renter or the owner if that condition changed.
5 If you were considering a higher income person.

6 Assuming that the money
7 saved by renting would be invested at 9 percent and
8 taxed at the marginal rate.

9 Q Well now, don't bother
10 to read the figures which will be part of your transcribed
11 evidence, but I take it that both houses rented and
12 owned are provided in this instance by the government?

13 A That's correct for
14 this assumption.

15 Q In other words, we're
16 not talking about private housing here, we're talking
17 about government housing either rented or purchased.

18 A In the case of rented,
19 it would be a government leased home, probably leased
20 from the private sector and then rented to a tenant
21 or it could be a government owned home, rented to
22 a tenant.

23 Q Yes.

24 A The renter refers to
25 the individual within the unit and the owner would be
26 someone who actually, you know, held the mortgage and
27 owned the home.

28 Q Yes, and did those figures
29 at the bottom show the total monthly housing cost in
30 each of those units?

Lowing & Runge
In Chief

1 A Yes, we've tried to adjust
2 for taxation, we've tried to adjust for all of the various
3 kinds of benefits and to create an example which would,
4 in our opinion, be as equitable and as fair a representa-
5 tion of what their actual costs were and the results
6 are that the renter's costs would actually be \$95.22
7 as compared to the owner's costs of \$221.34. We've
8 assumed here that maintenance on this home or -- would
9 be done by the individual and that's the present policy.

10 Q All right. Carry on.

11 A From this example, it
12 can be readily seen that the advantage of renting
13 is considerable over that of owning under this programme,
14 particularly for short-term employees where capital
15 gain will not play a major role in determining whether
16 to rent or to purchase. That of course could be affected
17 if we have a high rate of inflation by the pipeline.

18 Rent maximums in staff housing
19 not only discourage home ownership but create an artific-
20 ially low market rent perceived by those in social
21 housing programmes based on rent to income is often
22 unfair when income is sufficiently high to necessitate
23 higher rents in social housing and staff housing.

24
25
26
27
28
29
30

Lowing, Runge
In Chief

1 Moving on to page 30, home
2 ownership programs. Within this context, it is difficult
3 to imagine home ownership programs being utilized to any
4 great extent in the Territories, although two home
5 ownership programs exist. The Federal Assisted Home
6 Ownership Program (AHOP) has a maximum house value of
7 \$43,500.

8 Q I think Mr. Runge, at
9 this point, I am not going to ask you to read a
10 description of that plan but can I summarize by saying
11 that with respect to ownership there are presently two
12 existing programs. The first is the Federal Assisted
13 Home Ownership Program which you describe on page 30 and
14 the second is the Country Home Assistance Grant which
15 you describe in the appendix and beginning at the bottom
16 of page 30.

17 A That's correct.

18 Q I take it as you say
19 on page 31 that a third program is being developed and
20 perhaps you can read that beginning at the second full
21 paragraph on page 31.

22 A All right. A third
23 program offering home ownership at rent geared to income
24 based on public housing scales and subsidizing the very
25 high utility costs is being negotiated with the C.M.H.C.
26 at the present time for all communities in the Territories
27 outside of Yellowknife. Agreement has not yet been
28 reached on the extent of the utility subsidies with the
29 Federal Government Housing Corporation. However this
30 program will be available for those whose income is too

Lowing, Runge
In Chief

low to qualify for the Assisted Home Ownership Program. The settlement of the utilities subsidy will determine if persons income requirements will be approximately \$10,000 per year minimum or \$8,400. National Housing Act Standards will apply to the program.

I'd like to add one extra note at this point. In negotiations with the Federal Government to date, that program may very well not come into play. Although both our Corporation and the Federal Corporation have signed an agreement suggesting -- well not suggesting -- agreeing to implement the program, the utility subsidy is becoming such a contentious issue that is my understanding that the Federal Government intends to announce that it will be pulling out of that program. So that it unfortunately will mean that native people will not be able to get the utilities subsidies and therefore will not be able to get into a position of home ownership.

Rental programs. Do you want me to --

Q Yes please.

A Social housing in the Northwest Territories is largely confined to three rental programs: Northern/Territorial Rental Housing Program, Public Housing Section 40 and 43 of the National Housing Act, and Senior Citizens Section 15 of the National Housing Act.

The N.W.T. Housing Corporation estimates costs of \$2,007,773 for the 734 units indicated in table eight for the study region for operation and

Lowing, Runge
In Chief

1 normal maintenance of these programs of which \$1,589,359
2 or 79% is contributed by the Federal and/or Territorial
3 Government. The rest is collected in rents.

4 Average rent collection in
5 the Northern Territorial Rental Housing Program are \$22
6 per unit per month, compared to \$150 for public housing
7 and I should note that that is a projection which we
8 have used this year that may well not be that high --
9 and \$31 for senior citizens.

10 Q That's the \$150 for
11 public housing is your projection?

12 A That's correct.

13 Q I take it that the general
14 experience has been that your projections as to rent
15 collection are not conservative?

16 A Let me try and get my
17 head around that.

18 Q Let me put it this way,
19 like everybody else, you don't collect nearly as much
20 as you expect to?

21 A I would think that may be
22 fair.

23 Q Yes and the \$22 per unit
24 is a hard figure based on --

25 A That's based on historic
26 evidence.

27 Q Yes. All right.

28 A Northern Territorial
29 Rental Housing Program. The Northern Territorial Rental
30 Housing Program is a rent geared to income program

Lowing, Runge
In Chief

based on the National Housing Act definition of family income with a minimum of \$2.00 per month to a maximum of 20% of income or the maximum rent set for the particular unit based on size and type of unit.

Q Then you list in the transcription, the rent maximums.

A They range from a one room at \$50 to a four bedroom at \$145.

O Yes.

A The Corporation has 2,626 units in the Territories of which 524 or 19.9% are located in the study region in all communities except Fort Liard, Jean Marie River, Nahanni Butte, Trout Lake, Fort Wrigley and Enterprise. These units were built by the Department of Indian Affairs and Northern Development and taken over by the Housing Corporation when it was formed in 1974. Occupancy is based on need and they are operated and managed by the local Housing Authority who determine need, allocate the units, collect rent and are responsible for maintenance.

Lowing, Runge
In Chief

1 It is these units that form
2 the bulk of those condemned and in need of major
3 repair, including sanitary services, and proper
4 heating equipment.

5 At the present, the Territorial
6 Government through a grant to the N.W.T. Housing
7 Corporation covers all losses on these fully serviced
8 units. The Federal Central Mortgage & Housing
9 Corporation does not participate in this program nor
10 does it make available funds under its two repair
11 programs (the Emergency Repair Program and the Residen-
12 tial Rehabilitation Program) for families living in
13 these units despite the fact that the majority of
14 native people live in these housing.

15 Public housing is our next
16 program. The public housing program and senior
17 citizens program are described in appendix "A" and will
18 not be elaborated on here except for one major point.
19 The federal rent to income scale is used to determine
20 monthly rents. The scale is graduated from a minimum of
21 \$32 (less \$2. per child to \$28) to a maximum of 25%
22 of income at \$400 per month.

23 When this program is put in
24 the context of staff housing where a three-bedroom
25 fully serviced house on the Mackenzie Highway system
26 rents for \$170, no matter how high the income, public
27 housing tenants see the inequities of the staff housing
28 policy.

29 Q Now, if you'll just pass
30 over the charts for a moment, we'll come back to them.

Lowing, Runge
In Chief

1 Go to the next.

2 A O.K. As native northerners
3 increase their incomes, rents will rise in relation to
4 income as they are fixed at 25% of adjusted family income
5 and are not fully serviced. Thus it will be quite
6 conceivable that a government staff worker at \$15,000
7 per year will pay \$170 per month in a three-bedroom
8 unit, while a native northerner within similar circum-
9 stances but working on the pipeline will pay \$306.50.

10 The actual cost to the N.W.T.
11 H.C. of the housing, especially new housing, is likely
12 to be greater than this \$306, and in our view the 25%
13 is not onerous. It is the staff housing policy which
14 is inequitable because of unnecessary subsidy to high
15 income earners. However, it is unlikely that the
16 staff policy will be considered to be changed in the
17 near future. While the policy should probably be
18 to pay 25% of income up to the actual economic rent
19 -- by that I mean the actual cost of everything
20 considered -- and that is the rent equivalent to that
21 necessary to cover all costs of principal, interest,
22 taxes, operation, and maintenance for the period of
23 the pipeline construction, at least maximum rents
24 should be set for the public rental units that
25 parallel those in staff housing.

26 Q Well, can I see if I
27 understand now? What you're saying is that if a
28 native northerner gets employment on the pipeline
29 or in the wage economy as the result of development,
30 that provides to him an income of \$15,000 per year

Lowing, Runge
In Chief

1 for example, he will be paying rents under the present
2 scheme that are what, 80% higher than persons who
3 live in staff housing?

4 A That's correct.

5 Q Yes.

6 A Special subsidy
7 agreements.

8 Q Oh, before we come to
9 that, Table 8 is, I understand, a table that sets out
10 the total costs, the total number of units, and total
11 costs including expenses, the total rents, for your
12 northern rental public housing, senior citizen and
13 single person units in each of the communities in the
14 subject area.

15 A That's right. First it
16 lays out the total expenditure, revenue and subsidy,
17 and then we indicate the average expenditure per unit
18 per month, and the average rent, and the average
19 subsidy per unit per month.

20 Q And that doesn't include
21 any allowance for capital or opportunity costs?

22 A Well, maybe I should
23 explain just the basic differences on that point.
24 The northern rental housing was -- does not contain
25 any cost of capital, does not contain the opportunity
26 cost of capital. Those figures are only dealing with
27 the question of maintenance, operational costs. The
28 public housing, however, the majority of it has
29 been built under Section 43 of the National Housing
30 Act, which is a 90% loan from the Federal Government.

Lowing, Runge
In Chief

1 Therefore the costs include the cost of paying back
2 the loan to the Federal Government, so there is princi-
3 pal and interest payment included in that cost.

4 In the senior citizen housing,
5 that is built under Section 40 of the National Housing
6 Act, and there again is no consideration of capital
7 cost or opportunity cost there. That's because we
8 put up 25% under that program, and the Federal Govern-
9 ment puts up 25%, and there is nothing charged to the
10 project directly, or to the housing unit directly.
11 But the majority of our public housing units are built
12 under 43, which means Section 43 of the National
13 Housing Act, which means that we do have to pay back
14 the loan, and it's all sort of coming from one pocket
15 and going to the other and sometimes one wonders about
16 all of that. But nonetheless that's the way that
17 works.

18 Q All right, would you
19 turn to the special subsidy agreements now, please?

20 A Two new subsidy arrange-
21 ments are being developed under the National Housing
22 Act with the Central Mortgage & Housing Corporation.
23 I should point out at this time that we signed those
24 agreements and I understand the corporation will be
25 signing them very shortly. They are the application
26 of the rent geared to income formulation to 25% of the
27 units in the private sector.

28 This means that rather than the
29 N.W.T. Housing Corporation building its own projects,
30 25% of the units of privately developed projects could

Lowing, Runge
In Chief

1 be eligible for subsidy at rent to income levels.
2 However, the costs must be comparable to that for
3 public housing, and utilities are not fully
4 subsidized under this 44(1)(a) agreement. It is
5 primarily the cost of domestic power that is not
6 subsidized. In fact, that is what is not subsidized.

7 The 44(1)(a) subsidy agreement
8 when signed, will offer rent to income subsidies to
9 low income families, and 25% of the units are non-
10 profit or co-operative housing. That should, I'm afraid,
11 read "44(1)(b) subsidy agreement", when signed will
12 offer rent to income subsidies to low income families,
13 and 25% of the units are non-profit or co-operative
14 housing. Utilities will likely follow the same pattern
15 as those in public housing, and that would involve
16 groups like the Dene Housing group, which is a non-
17 profit corporation; the I.T.C. (Inuit Tapirisat of
18 Canada) who have recently created a non-profit housing
19 corporation; and any community associations that chose
20 to build their own non-profit, that agreement would
21 then be eligible, applicable to them.

22 Q So that any program,
23 whether privately developed or not with respect to
24 co-operative housing is eligible for this benefit.

25 A That's correct. In fact,
26 I should really elaborate one more point. 25% of the
27 units is not necessarily the number of units that
28 would be eligible. There is a provision in our
29 agreement that allows for up to 100% of the units,
30 assuming that the community in which those units are

Lowing, Runge
In Chief

1 being built, agrees to 100% of the units being fully
2 subsidized. It would seem to me that in fact all of
3 the units built by the co-operative and non-profit
4 sector would be eligible for full subsidy. The units
5 built by the private sector and subsidized under 44(1)
6 (a) would not; only 25% would be eligible. The C.M.H.C.
7 will not approve more than 25% for subsidy purposes.

Lowing & Runge
In Chief

The N.W.T. Housing Corporation hopes to offer three types of programmes, rent geared to income for low income persons who live in public housing, co-operative housing, non-profit housing and private rental, home ownership at payments geared to income between approximately 8,400 and the AHOP range maximum of 12,700, depending on location and unit costs including utilities in the subsidy and after this, the federal AHOP programme will assist higher income persons to purchase a modest home for which no utility subsidy will be provided.

In addition, the Country Home Assistance Grant is being re-examined with a view to increasing the size of the grant in locations where none of the above are appropriate. And just a note on that, we've recommended that that -- and it's before our Board today in fact, that that programme be increased to \$10,000 and including in it \$7,500.00 for the cost of housing and an additional \$2,500.00 for defraying the cost of transportation to points beyond Yellowknife.

Q And that programme simply put is one that finances or makes a grant for the purchase of hardware associated with a house such as door and window frames and so on.

A That's correct.

Q Yes.

A It's usually used in conjunction with building log houses, to put in furnaces and that sort of thing.

Lowing & Runge
In Chief

1 Q Yes.

2 A All of these programmes
3 will be hit with inflation however, and the existence
4 of new programmes will not likely alter the annual
5 allocation which presently permits 225 to 250 housing
6 units to be constructed and subsidized each year and
7 which could be reduced if costs increased more rapidly,
8 excuse me, than budget allocations.

9 I should indicate that as
10 a result of more recent negotiations with both the
11 Territorial government and the federal government, it
12 looks as though next years programme might be in the
13 area of 300 housing units. So, we have actually
14 increased our budget somewhat. We are still below
15 where we think we should be.

16 Q Well, can I put it this
17 way, that until recently you anticipated that you would
18 be able to built 225 to 250 housing units, without
19 consideration of any potential pipeline impact?

20 A That's correct.

21 Q That's your present
22 programme. You now understand that because of an increase
23 in your budget you may be able to built 300.

24 A That's correct. It
25 looks as though we'll be building approximately 300 next
26 year.

27 Q All right.

28 A Number six, pipeline
29 impact. The major areas of impact that concern the
30 Housing Corporation are, reallocation of housing to

Lowling & Runge
In Chief

1 the Mackenzie and Great Slave region to meet the housing
2 requirements resulting from immigration from other
3 northern settlements and camps, competition for land
4 and services between N.W.T. Housing Corporation, social
5 housing, direct and indirect pipeline employment housing
6 and normal growth. Increased construction costs due
7 to economic destabilization and competition for labour,
8 particularly skilled labour. Possible increases in
9 rental revenues. Increased maintenance due to further
10 overcrowding if insufficient housing units are built.
11 Those are the major concerns that we would have.

12 Housing needs, going on to
13 look at each of these points now.

14 The housing requirements, in
15 addition to that established in the previous section
16 will be dependent on the population resulting from
17 the employment growth in primary and secondary jobs
18 in the hydrocarbon industry. These jobs can be
19 divided into permanent and temporary and in turn generate
20 additional or induced jobs in the service sector.

21 Four reports on the impact
22 of employment and population resulting from the pipeline
23 for the study area have been examined. Gemini North
24 Limited, Social and economic impact of proposed Arctic
25 Gas Pipeline in Northern Canada, May 1974; Staff Report.
26 Staff Report, employment and population projections
27 for the Mackenzie Delta region, 1975, 1985, Department
28 of Indian Affairs and Northern Development, February
29 1976. Van Ginkel Associates Ltd., Communities in the
30 Mackenzie, Effects of the Hydrocarbon Industry, January,

Lowing & Runge
In Chief

1 1975. Manforce Research Associates, Delta Regional Develop
2 ment, an employment impact assessment of hydrocarbon
3 industry activity in selected Mackenzie Delta communities.

4 These studies indicate a
5 range of likely impacts based on sets of arbitrary
6 multipliers used to calculate the induced effect of
7 direct employment in the industry. The highest multiplier
8 used was by Manforce Research Associates. This study
9 was based on a labour force survey in the N.W.T. and
10 indicated an impact of 217.5 percent greater than the
11 most conservative assessment by Gemini North.

12 Q Well now, in table nine
13 do you set out the multipliers that were selected as
14 you understand them, by each of those reports?

15 A That's correct.

16 Q Yes. Well now, we
17 don't have a copy of the Manforce report at present
18 and I see that it's listed on your bibliography. Can
19 you make available to the Inquiry a copy of the Manforce
20 Research Associates report?

21 A I believe I can, yes.

22 Q Yes.

23 A I also believe that
24 it's been updated so there are actually two as I under-
25 stand it.

26 Q Yes, on your bibliography
27 at page number 70, the report is listed and then as
28 well a critique of the report and in addition, a report
29 by R.P. Sterling called "Comments on a Employment
30 Impact Assessment of Hydrocarbon Industry Activity",

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In Chief

1 July 5, 1976 and I wonder if you can make available
2 to me, for filing with the Inquiry, a copy of each of
3 those documents?

4 A All right. I thought
5 that they were being put in, but sure.

6 Do you want to deal with
7 the multipliers? I think they're covered in the text.

8 Q Well, perhaps you can
9 just carry on with the text. I take it table nine sets
10 out your understanding of the permanent employment
11 and temporary employment multipliers that were selected
12 by each of those different reports to determine the
13 extent of induced employment by pipeline construction?

14 A That's correct. YOU'd
15 also make the comment that they all appear to be some-
16 what arbitrary and there is really very little justifica-
17 tion in my view for any of those figures and I think
18 that the reports freely admit to that.

19 Q All right.

20 A No one really seems to
21 know. Nonetheless, we've tried to generate housing
22 with them so we have had a look at them.

23 The use of the multiplier is
24 as follows, for every ten -- excuse me, for every ten
25 permanent hydrocarbon jobs, Gemini indicates that an
26 additional two positions would be created in the
27 community. That's 10 times 1.2 equals 12 jobs in
28 total. While the DINA study indicated 13.4, Van Ginkel
29 25 and Manforce, 26.1, that is for every 10 persons
30 employed.

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In Chief

1 All these multipliers are
2 arbitrary and it should be noted that the Alaskan
3 experience indicated 1.54 in a report by A.R. Tussing
4 et al on page 116.

5 Total jobs resulting from each
6 hydrocarbon permanent position, excuse me.

Lowling, Runge
In Chief

1 The induced employment resulting
2 from temporary employment confined to the pipeline
3 construction period is considered in all reports to be
4 minor as employees are assumed to be primarily in-migrant
5 and spending the wages outside the pipeline area. However
6 the degree to which these positions are filled by
7 northerners should have considerable bearing on the
8 induced employment in the service sector.

9 Population projections based on
10 multipliers of the total jobs produced also vary from
11 1.4 dependents per worker projected in the DINA study
12 to 1.5 projected by Van Ginkel and by Gemini. Thus
13 ten workers in the hydro-carbon development could result
14 in a total population of 18 persons as projected by Gemini
15 and 37.5 as projected by Van Ginkel, a difference of 108%
16 between the highest and the lowest projection.

17 Setting aside actual par-
18 ticipation levels by northerners, 1,000 permanent jobs
19 in direct hydro-carbon activity should be expected to yield
20 a population that varies from a high of 6,525 to a low
21 of 2,880. If we assume the average number of persons per
22 dwelling to be equal to that of Canada in 1971 at 3.6
23 this should result in a need for between 1,812 and 800
24 housing units required for each 1,000 permanent direct
25 hydro-carbon jobs. Gemini indicated 860 as the permanent
26 employment on pipeline and gas industry. Using these
27 jobs and the high and low multipliers, the range of
28 housing units required to 1981 is likely to be between
29 688 and 1,494 a difference of 117%.

30 This range is too broad --

Lowing, Runge
In Chief

1 Q Stopping there Mr. Runge,
2 that is your prediction of the housing required outside
3 of the construction camps -- we're not talking about camps
4 -- based on Gemini North's own figures and own multipliers?

5 A It's not really a
6 prediction. It's just simply arithmetic. I've used
7 their figures and just multiplied them through to the
8 logical conclusions.

9 Q All right.

10 A And done that for the
11 various reports that we had to look at.

12 This range is too broad to be
13 useful. Therefore, this study has assumed that an
14 employment multiplier of 1.5 based on the Alaskan ex-
15 perience and a population multiplier of 2.5 and that each
16 household would consist of 3.6 persons. That was our
17 assessment of what we considered to be reasonable. I
18 however would note at this point that we are not experts
19 in this field and we merely were looking for a number.

20 This resulted in what may well
21 be a conservative estimate at 1,104 units because of the
22 3.6 persons per household may be high. Gemini themselves,
23 in their report used 3.3 which would add an additional
24 100 units.

25 The Gemini study did not include
26 employment generated in the Great Slave region and in
27 discussions with the Department of Economic Development,
28 their Research Division, it was decided to add 200
29 government workers to monitor the impact of the pipeline.
30 This additional 200 are included in the 1,104 unit

Lowling, Runge
In Chief

1 requirement which is found on table ten.

2 Q Now, do I also understand
3 Mr. Runge that the Gemini figure did not include any
4 multiplier or any effect as a result of construction of
5 gas plants or am I wrong about that?

6 A No, you are right. That
7 is what was determined as temporary -- the temporary
8 employment multiplier. I find that surprising because
9 I would think that persons working on the pipeline,
10 especially northerners would have income and would there-
11 fore, when they go back to the communities have income
12 to spend and that would obviously induce a certain amount
13 of employment.

14 Q So taking Gemini's figures
15 as you have done and modifying them to what you take it
16 to be a reasonable figure, you produced a housing need
17 of 1,104 units --

18 A 1100 units, right.

19 Q but that does not include
20 any consideration for multipliers that may attach to
21 government in-migrants for monitoring purposes or gas
22 plant development and construction.

23 A No. It does include the
24 200 estimated for government purposes. But it does not
25 include the employment generated -- or the need generated
26 by employment on the actual construction itself. I
27 should note there that, you know, the control over that
28 part of the pipeline is really critical in terms of
29 assessing the actual impact. You know, whether those
30 workers will spend long weekends stranded in, you know,

Lowing, Runge
In Chief

1 Inuvik and spend money there and generate employment and
2 whether that happens continuously. That sort of just
3 ordinary, everyday kind of experience in the north of
4 getting snowbound could very well create additional
5 income for a community which, like Inuvik, which could
6 in our opinion, would in our opinion then obviously
7 induce further jobs. You know, our feeling is that
8 some consideration really ought to be given to those
9 -- to the temporary employment. But as yet, there is
10 really only the one study. Manforce does consider it at
11 1.25 and the DIAND study has a very, very small number of
12 .05.

13 Servicing. The Northwest
14 Territories Housing Corporation delivers approximately
15 200 housing units per year in the Territories. This
16 limited number of units is placing considerable strain
17 on the capital requirements for services and while the
18 N.W.T. Housing Corporation can borrow from the Central
19 Mortgage and Housing Corporation for land assembly and
20 services, these costs would be transferred to the cost
21 of public housing, reducing the number of units built
22 because of maximums set on capital for public housing
23 by both Central Mortgage and Housing Corporation and the
24 Federal Treasury Board.

25 Again, I think I have to note
26 that the present situation is that the Department of
27 Local Government using Public Works provides these
28 services and we take the land over in the non-taxed
29 based communities free. Therefore, what we pay back on
30 our loan on our houses is only the actual cost of the

Lowing, Runge
In Chief

1 unit and its construction and the pads for it. But if we
2 get involved in land assembly ourselves because there is
3 an inadequate supply of land, that is going to add to the
4 cost of our public housing units which will then cut into
5 our overall budget which will mean we will have less
6 money available for housing units.

7 Q Well can I summarize it
8 this way? That at present you are producing between
9 200 or if you are lucky with your budget 300 units per
10 year.

11 A You're right.

12 Q You forecast normal
13 growth of 1,612 additional units and you forecast what
14 I call pipeline growth of 1,104 units -- all on top
15 of the existing housing need. Have I got that right?

16 A That's right I believe.

17 Q All right.
18
19
20
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A To service the 1,104 units required by the pipeline, plus the 842 social housing and the 1,612 other units required by normal growth will involve a considerable increase in both labor and capital.

These costs have increased by approximately 9% over the 1975 costs. It is expected that the impact of the pipeline would be insignificant on these units as they are built through public tender and bidding is largely confined to a small number of southern manufacturers. The present units are being built in Yorkton, Saskatchewan, by Weber Homes.

29 The next table just indicates
30 the actual costs of the barge rates for our particular

Lowing, Runge
In Chief

1 housing units to each of the locations in along the
2 Mackenzie.

3 Barging costs can be based
4 on an average weight of 38 pounds per square foot of
5 house and considered as Class 3 for determining rough
6 costs of shipment, which is what we did in Table 12.

7 These costs add 16% to a
8 unit in Fort Franklin, and 12% in Aklavik, and 6% in
9 Fort Simpson. Any increase in the barge rates because
10 of competition due to supply requirements for the
11 pipeline will add to these basic costs.

12 Gravel pads on which the
13 units are situated are largely a labor cost and in
14 1976 ranged from \$1,000 to \$1,200 per unit, depending
15 on location and unit size.

16 Local cartage of the prefabri-
17 cated unit to the site is approximately 300 to 450
18 depending on the unit size.

19 In addition to the above costs,
20 5% of the F.O.B. price is now estimated for damage
21 and loss. These components then make up the total
22 unit costs.

23 In 1975 construction of
24 prefabricated units took place in a number of communities
25 in the study area.

26 These are actually the only
27 units - the only communities in the study area where
28 we erected houses last year.

29 Q I take it that Table 13
30 sets out the existing or the current total cost which

Lowing, Runge
In Chief

1 includes the purchase price at Hay River, plus all the
2 associated costs with getting the house ready for
3 occupancy.

4 A Last year's costs, 1975
5 costs, yes. What we've tried to indicate in that
6 table is that on the right-hand column are percentages,
7 and what we're indicating is that that percentage of
8 the total cost is spent in the Territories.

9 Q And then Table 14 is
10 updating that kind of comparison in 1976, and shows
11 the increases that have occurred and the proportion
12 of those increases that is attributable within the
13 Territories in a year, of course before any pipeline
14 impact whatever.

15 A That's correct. However,
16 column No. 6, "erection costs" should be increased by
17 approximately \$2,000, tendering -- this was anticipated
18 tendering and the tendering procedure is being conducted
19 just now and they are coming in higher than we had
20 anticipated. So that a larger percentage of the
21 total cost is now attributable to the Territories.

22 Costs for the above units
23 rose 9.2% and 21.4% for the four-bedroom and five-
24 bedroom units at the F.O.B. point. While the costs of
25 local cartage, sea lift, gravel pads and erection is
26 estimated to have risen 29.3% in Aklavik, 34.9 and 31%
27 for four and five-bedroom units in Fort McPherson,
28 22.1% in Tuktoyaktuk, and 36.2% in Fort Good Hope.
29 As these costs make up an average of 38.7% of the
30 total costs of the unit in 1976, the impact of increased

Lowing, Runge
In Chief

1 labor, materials, and barging could seriously affect
2 the budget and delivery of units in the study region
3 and the whole of the N.W.T.

4 We should note that while
5 construction costs in Canada rose 67% for the average
6 N.H.A. financed home from 1973 to 1975, a three-bedroom
7 prefabricated unit in the N.W.T. rose only 43%.
8 Total costs rose 9% from '73 to '74, 31% to 1975,
9 and a further 16% to 1976.

10 At the time of writing this
11 submission, no inflation factor has been yet
12 determined as a result of the pipeline and therefore
13 the information has been presented in a form that would
14 permit easy calculation of impact when such information
15 can be assessed and presented to the Commission.

16 Labor supply. All of the
17 communities in the study area supply local labor to
18 erect the housing units, and only in Inuvik and Fort
19 Franklin have outside contractors received tenders
20 for supervision of the work. In both these cases
21 local labor was used, although not exclusively. The
22 erection costs range between \$8,000 and \$10,000,
23 depending on unit size and location.

24 High wages, coupled with
25 overtime for pipeline employees, will force the N.W.T.
26 Housing Corporation to compete for labor. The area
27 of impact that will likely be most critical will be
28 that of skilled workers, especially those who can super-
29 vise construction and tender on contracts who will
30 either be employed on the pipeline -- either likely be

Lowing, Runge
In Chief

1 employed on the pipeline or will demand competitive
2 wages with those on the pipeline. A list of wage
3 rates currently employed by the N.W.T. Housing
4 Corporation is attached as appendix "C".

5 This competition could
6 increase the cost of units substantially and in the
7 event of actual labor shortages in the skilled areas,
8 the corporation would be forced to depend on southern
9 contractors, where they would be prepared to submit
10 tenders. Dependence on the availability of southern
11 contractors would mean dependence on the economic
12 climate for the construction industry in Saskatchewan,
13 Alberta and British Columbia, and would be most
14 unreliable and costly.

15 The total effects would be to
16 increase costs of construction, very likely lower
17 standards of construction especially where unskilled
18 workers were involved from the local communities, and
19 in some communities it could very well mean no new
20 housing units would be built, which would further
21 aggravate the housing condition.

22 MR. SCOTT:

23 Thank you, Mr. Lowing and
24 Mr. Runge. Do you want to take a break now, Mr.
25 Commissioner?

26 THE COMMISSIONER: Let's see
27 if there's any coffee left.

28 (PROCEEDINGS ADJOURNED FOR A FEW MINUTES)
29
30

Lowing, Runge
Cross-Exam by Sigler

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: All right.

MR. SCOTT: We're ready Mr.

Commissioner.

THE COMMISSIONER: -- gentlemen.

MR. SCOTT: Mr. Sigler, any
questions?

MR. SIGLER: Yes.

CROSS-EXAMINATION BY MR. SIGLER:

Q On page four of the
prepared evidence, you stated that the social housing
represented approximately 80% of the need in the
communities of less than 1,000 population. I wonder
if you could be in a position to tell us what percentage
of the population in the region lives in communities of
less than 1,000?

WITNESS RUNGE : What
percentage of the population? I may be able to. I
prefer to do it long hand. It's 75 or 80 percent.

Q Of the population in
the Mackenzie region lives in --

A Sorry, sorry -- about 50%.
The total population in '71 was 16,400.

Q Right.

A If we subtract Yellowknife,
it's 6,125 and from page four, the only other community
over 1,000 was -- I think Hay River was the only
other one which is 2,405 and Inuvik at 2,675. So it
would be six, seven, eight, nine, ten -- eleven thousand
of the 16,000. So it would be about 25%. Sorry.

Lowing, Runge
Cross-Exam by Sigler

1 Q That was in 1971.

2 | A '71.

3 Q What about in '76?

4 A I don't have the figures
5 for '76.

6 Q Those were using the
7 census figures from '71?

8 A That's correct.

9 Q At page five, after your
10 comment on lack of future planning is the restricting the
11 supply of land to even meet the present allocations of
12 housing and servicing is falling behind as well. You
13 added some comments in answer to Mr. Scott's questions
14 about who does the planning.

15 A That's right.

16 Q You stated I believe that
17 the Department of Local Government lays out subdivisions
18 and services them.

19 A The Department of Local
20 Government, not in the communities with a tax base where
21 -- I believe I said that as well. In those communities,
22 the municipalities themselves are responsible for planning
23 and they borrow their funds from either the Central
24 Mortgage and Housing Corporation as I understand it or
25 the Department of Local Government.

26 Q Well I believe your evidence
27 was that in the tax based communities, the Department
28 of Local Government --

29 A No in the tax based --
30 well if that's what you understood, let me clarify it.

Lowling, Runge
Cross-Exam by Sigler

Q Did that and provided
funding.

A No. In the tax based
communities, the funding is either from the Central
Mortgage and Housing Corporation, Treasury Board or
I suppose anywhere that the municipality can get its
funds and the planning is actually done by the municipali-
ties. I'm talking about the settlements now that are
not municipal incorporated. Planning is done in
conjection with those settlement councils but by the
Department of Local Government with funds at the present
time, from Treasury Board.

Q So just so that we leave
the Inquiry with a clear picture of how the planning and
servicing is done, in the municipalities, the tax based
communities, the planning and the providing of physical
services is done by the municipal corporation.

A That's correct, yes.

Q And in the non-tax based
communities, the settlements, it's done by the Territorial
Government Department.

A That's correct.

Q Then on page six at the
top of the page, it is stated in your report that:

"While the major impact is likely to be felt in
Inuvik, Fort Simpson, Norman Wells, Hay River and
Yellowknife, the impact of inflation and the drain
on labor for house construction is likely to be
even more critical in the smaller settlements where
limited resources exist to respond to change."

Lowing, Runge
Cross-Exam by Sigler

1 Now that's
2 what you stated. My question in relation to that is
3 I take it that you're not suggesting that the larger
4 places have unlimited resources to deal with them?

5 A No. We aren't suggesting
6 that at all. We're just saying that the limited diversity
7 will create -- could create for us considerable problems,
8 particularly in the area of skill labor in the smaller
9 communities. That doesn't mean there won't be a problem
10 in the other communities as well.

11 Q So I take it we could
12 stress the wording that you've used you are saying "more
13 critical" which implies to me that it is critical in
14 all the communities but perhaps more critical in the --

15 A That was the intention
16 of the wording.

17 Q Now, turning to your
18 recommendations which start on page six, the first one
19 is with regard to the planning and development authority
20 being created. I wonder what relationship you'd see
21 that authority having to the municipalities which now
22 carry on a planning function?

23 A Well I think that the
24 overall co-ordination of the building and timing and
25 continued relation between the Government of the North-
26 west Territories and the company itself is what we were
27 looking at there. It seemed to us that as long as a
28 number of departments are involved in dealing with the
29 pipeline on a continuous basis, that the likelihood for
30 confusion would be fairly high, our feeling was that if an

Lowling, Runge
Cross-Exam by Sigler

1 authority brought together the people who would be
2 working directly on the pipeline and who would be
3 monitoring it were created that that would facilitate
4 the overall -- an easier or more harmonious three or
5 four or five year period.

6 Q But do you see
7 the Town of Inuvik's say relationship to such an
8 authority, would it be say similar to the relationship
9 it would now have with the various government departments
10 instead of having to co-ordinate with all the departments
11 it would just take one department to report to?

12 A I think in relation to the
13 pipeline, yes. We would think it could relate to that
14 one group.

15 Q Rather than usurping the
16 function now carried out by the Town of Inuvik?

17 A No. We do not intend that
18 the Town's function be usurped by this authority.

19 Q Do you see a need for the
20 municipalities to be represented on the authority itself?

21 A Yes, I would.

22 Q Now, your second
23 recommendation, you've used the word "settlement" so
24 I take it you are talking about the settlements there
25 more than about the communities say like Hay River
26 and Inuvik that have plans prepared?

27 A I think that it's clear
28 that for even Yellowknife there aren't that many. If
29 you look to the present moment, there just aren't that
30 many lots available for building. There is a shortage

Lowing, Runge
Cross-Exam by Sigler

1 as I understand it at the present time. I would think
2 that that should maybe be re-worded to not only include
3 settlements but to include all of the municipalities.
4 The problem is that as we said, the impact for growth
5 will likely occur in the larger centers. It is certainly
6 those centers that we are concerned about and we would
7 want there to be adequate supply of funds available and
8 plans available and the potential for servicing. You
9 know, that's fairly important.

10 Q Do you see each community
11 having the basic control of its own planning?

12 A I would think so. Yes.
13 That's the direction government has been moving. It's
14 just that we would like to try and make sure that it
15 actually happens and it is available -- the land and
16 the lots.

17 Q I take it this would be
18 the recommendation you would like to see immediate action
19 taken on?

20 A Well we said prior to
21 the pipeline going ahead, 'yes'.
22
23
24
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Lowing & Runge
Cross-Exam by Sigler

1 It won't do much good to
2 do all that planning after it's happening.

3 Q And your third recommenda-
4 tion talking about additional funding being provided or
5 appropriated by Treasury Board, as a condition of
6 pipeline approval. Were you including in the general
7 concept there the additional funding to the municipalities?

8 A As I understand it,
9 municipalities can borrow money at nine and three quarter
10 percent from Treasury Board and that there has been
11 in the past problems with the overall budget for land
12 and land assembly and servicing and that we would think
13 that it was fairly important -- well, it was essential
14 that we understand the kinds of costs that are involved
15 and that your borrowing powers be in line with the kind
16 of impact that's likely to be found, yes.

17 Q So, the developments
18 that are done by the -- the land development that's
19 done in the settlements, say by the Territorial
20 Departments, they should have more funds from Treasury
21 Board.

22 A As well, yes.

23 Q As well as the municipalities
24 The councils that act
25 as developers should get more funds available from
26 Treasury Board.

27 A And the construction of
28 50 percent of the housing units required prior to the
29 pipeline going ahead, yes. All of those areas are
30 areas where additional funds are likely to be required.

Q I take it

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Cross-Exam by Sigler

1 implicit in your recommendations two and three, is that
2 actual land areas be developed and serviced prior to
3 the pipeline.

4 A Yes.

5 Q That would require
6 funding immediately to do.

7 A The normal
8 process of servicing, you know, with its year or two
9 in advance of the actual building of units, yes, and
10 I'm not saying you would have to lay out the whole
11 area and have it sitting there. That would be con-
12 siderably -- that would be very costly for the municipal-
13 ities, but that they have access to funds as and when
14 they need it, yes.

15 Q But in your fourth
16 recommendation that's on page seven you're saying that
17 -- you're suggesting half the housing areas be developed
18 prior to the construction of the pipeline?

19 A Yes. Our -- one of the
20 reasons for talking about 50 percent is,
21 there are some simple logistics of just plain getting
22 that many houses built and we think that if we're talking
23 about a two or three year period to construct that
24 volume of housing, we just can't deliver that many
25 houses. You know, it's not a question of us not having
26 the capital, at some point we not only run into -- you
27 know, you run into a capital -- a land problem and you
28 solve that and you run into a capital problem and
29 you solve that and then you run into the plain problem
30 of who's going to build the housing and with our policies,

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Cross-Exam By Sigler

1 which are to get local people building the housing, that
2 becomes a bottleneck as well, so that we think there
3 is a limit to how many houses we could really build
4 along the Mackenzie, given that there are other people
5 building houses as well.

6 Q And then the context
7 of the first three recommendations that precede, I
8 take it there's first the planning requirement, then
9 there's fiscal relationship between Treasury Board and
10 authorization of more funds through Treasury Board?

11 A Correct.

12 Q And then the actual
13 physical work problem of getting the houses built
14 once the planning and the funding is provided.

15 A That's correct.

16 Q So, given these factors,
17 how would you comment on the lead time that's required
18 now?

19 A Well, I think we're
20 probably talking, being realistic, to produce plans
21 for all of those communities, the planning process,
22 if it was well organized would probably be into a year ^{well}
23 or more, I would think. The actual servicing of land,
24 servicing and development and getting it ready
25 is another year so we're talking at least two, two and
26 a half years I would think, and then that's assuming
27 we're reasonably organized about doing it.

28 Now, if we carry on at the
29 rate we are, you know, we could put it off for 20 years.

30 Q But that also assumes

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1 the Treasury Board negotiations could be concluded
2 swiftly.

3 A Could be concluded,
4 that's true, yes.

5 Q So it would be two to
6 two and a half years without any delays being encountered
7 in getting the funding for them?

8 A I would think so, yes.

9 MR. SCOTT: Well, just so
10 I'm clear, did that two, two and a half years carry
11 you simply to servicing or to construction?

12 A Servicing I would think.
13 You know, you're talking another six months of construc-
14 tion and really more than that because, you know, there's
15 quite a number of houses we're talking about.

16 MR. SIGLER: I take it
17 that would be an average too, it would vary from
18 community to community, how long it might take to
19 get serviced land.

20 A Well, we begin construc-
21 tion of houses in July and August, say August and some
22 of those houses aren't completed until the next August
23 or later. So, our building programme is six months
24 to a year.

25 Q That's the actual
26 construction programme?

27 A Yes, that's, you know,
28 the barges leave in July and August, from say,
29 Hay River. Our construction programme takes close
30 to a year. It doesn't always, but there are just so

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many unpredictable factors that enter into it, you know, people are out on the land, you can't get people to actually construct and the actual logistics of construction are -- you make it sometimes as much as a year and sometimes even more. We have housing units from 1974 that are just being built, completed now.

Q And that's when you had the serviced land to begin with.

A Oh, that's when we had the serviced land and the pads and everything and the houses sitting there on the beach waiting to go. You know, something happened and you know. All sort of things can happen and we could talk for several hours on the things. It's very interesting but probably not too helpful.

Q Well, in your recommendation number seven, that for permanent employees any assistance for housing should favour homeownership and encourage stability. I'm just interested why you raised this point as the Public Housing Corporation, why this is your concern?

A Well, we're concerned with the whole -- we've been instructed by both the Council of the Northwest Territories and by our Board of Directors to look at the possibilities for homeownership and to encourage homeownership in the Territories. And we have examined our programmes with a view to trying to do that and we think it is therefore consistent to recommend to the Territorial government itself, that it examine its own programmes to be consistent with

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1 its own direction to us and we think it therefore
2 reasonable as a recommendation and an overall policy
3 direction that our corporation has been set with to
4 recommend that to the other corporations and that doesn't
5 just come, you know, out of the air, it comes from
6 the knowledge of the tremendous turnover rate that
7 exists in the north, you know, with -- I believe there's
8 a recent report that indicated a third of the staff
9 in the government turned over. I think the same kind
10 of things apply --

11 THE COMMISSIONER: Excuse me,
12 the N.W.T. government?

13 A The N.W.T. government,
14 yes, per year.

15 Q That was a report
16 that the Commissioner had done about a year ago, isn't
17 it?

18 A Well --

19 MR. SIGLER: A task force
20 on personnel.

21 A Yes, it was a task force.

22 THE COMMISSIONER: Is that
23 the one you're thinking of?

24 A Yes, I am. That may well
25 be, it may be fairly logical to extend something in
26 that order to the private sector as well, I don't know,
27 I haven't done any studies in that area.

28 MR. SIGLER: So, your concerns
29 then are both to provide public housing and to encourage
30 private homeownership within the Territories and that's

Lowing & Runge
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1 the realm of -- that your recommendations would tend
2 to fit in.

3 A That's right.

4 Q I wonder if -- you've
5 mentioned and outlined some of the programmes that
6 you're working on or that are in the wind, I wonder
7 if there's any developments with regards to implementing
8 a general homeowners grant in the Territories?
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1 A We are recommending at
2 the moment to Treasury Board and to the Council and
3 to our own Board of Directors, I can't say where it
4 stands at the moment because it's sort of in the
5 process, a second mortgage program which would
6 provide up to \$10,000 to anyone in the Territories
7 to assist them in the purchase of a housing unit.
8 That, we think, would be at first mortgage interest
9 rates so that we think it would be attractive and
10 people may well be interested in it.

11 The other program, when we
12 discussed the assisted home ownership program,
13 essentially people are eligible for ownership assuming
14 the Federal Government accepts our proposal, that
15 is the C.M.H.C. It would be eligible, persons making
16 \$12,700 would be eligible for assistance, a subsidy
17 of \$1,500 a year to get into a home ownership situation.
18 So there are a number of programs. What we've tried
19 to do is you know, create some sort of a fit between
20 rental and subsidized ownership and then ultimately
21 ownership without assistance. Ownership without
22 assistance at this point, if all the programs that
23 we've put together work, ownership without assistance
24 would only happen at about \$19,000 income. So it's
25 a pretty rich program. A lot of assistance.

26 Q But in answer to my
27 question, you have recommended a general home owner's
28 grant?

29 A A general home
30 owner's grant? No, not a grant, O.K.

Lowing, Runge
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1 Sorry, I'm too long-winded. The answer is "No."

2 Q But I believe there's
3 such a program has recently been set up in the Yukon,
4 has it not?

5 A Yes, and I understand
6 there was one in B.C. and they've dropped it. You know,
7 it's a program, I've personally spent some time
8 analyzing home owner's grants and I think there are
9 lots of reasons to not use them.

10 Q Do you feel there's
11 better ways to encourage private ownership?

12 A Yes, I sure do, yes.

13 Q Generally by aiming
14 your programs to people who might not otherwise
15 afford the homes, rather than providing something
16 to everybody regardless of income.

17 A Right. I think you
18 have to look very carefully at the people and their
19 income and their future possibilities for income when
20 you're designing a housing program. So that AHOP
21 is designed for people who are in an income range
22 that's on the way up, and whose income is increasing
23 more rapidly than the general rate of inflation. IN
24 other programs like the rural remote housing program,
25 accept the fact that one's income is not going to
26 rise significantly over time and therefore you will
27 continue to need assistance in things like utilities,
28 subsidies, and principal/interest tax payments. Below
29 that, you know, there's just no point in putting
30 people into home ownership when they can't afford it,

Lowing, Runge
Cross-Exam by Sigler

1 and we have the example of the homes that were turned
2 back to our corporation because people simply could
3 not afford to run them. One has to be realistic
4 about who ownership is really directed at and who could
5 possibly get into that situation.

6 Q Your recommendation No.
7 11 on page 8 is that input from southern suppliers
8 in the construction of housing should be restrained
9 to the volume that cannot be covered by local entre-
10 preneurs. Later on --

11 A Well, we're optimists.

12 Q Well, later on in page
13 45 you mention that your prefab units are bought
14 from Weber Homes in Saskatchewan.

15 A That's right. There
16 isn't an industry here at the moment. We have an
17 agency of government whose job is to promote and
18 encourage industry. We think that there is a large
19 volume of housing, both required by the pipeline, by
20 natural growth, and by ourselves, and that it would
21 not be unreasonable to get into the prefabrication
22 and the manufacture of housing. We're looking ourselves
23 at the prospect of creating a development corporation
24 which would produce housing for the public and private
25 sector alike in an effort to try and promote employ-
26 ment and the production of housing in the Territories,
27 and it's a recommendation that's before our Board
28 today. I have no idea what they'll do with it.

29 Q Well, how have sort
30 of northern contractors or northern people associated

Lowing, Runge
Cross-Exam by Sigler

1 with house construction been involved with housing
2 programs to date?

3 A How have northern
4 contractors been involved in our program to date?

5 Q You said there's no
6 northern prefab suppliers, but I take it there's
7 northern building contractors.

8 A Well, that's right. We
9 have, you know, we ship the units into the areas and
10 then they're moved to the site with local labor, their
11 pads are constructed with local labor. We issue
12 contracts in the communities for all of those jobs,
13 including erection contracts, and you know, sometimes
14 that means we go into communities and assist people
15 in filling out a tender application so that they will
16 in fact --

17 Q So even though the units
18 are purchased from Saskatchewan, you use the local
19 people to assemble the units when they here.

20 A That's right. The
21 whole assembly procedure, site preparation is local.
22 We have attempted to build what are called stick-built
23 housing units, at least that's what we call them.

24 THE COMMISSIONER: What do
25 you call them?

26 A Stick-built, the normal
27 kind of 2 x 4 house, you know, and the costs continue
28 to come in at 50-60% or more of what our prefab costs
29 are, and there isn't any reason except that the labor
30 time involved and the loss of materials and you know,

Lowing, Runge
Cross-Exam by Sigler

1 and that sort of thing has cost us a lot of money.
2 You know, this year we're building six, and we have
3 a training program going, and people actually showing
4 workers in the various settlements, you know, how
5 to construct this sort of house. But they tend to be
6 very expensive for us, and there's a trade-off, and
7 the trade-off is worth about \$25,000.

8 MR. SIGLER: Q What kind of a
9 program do you have -- was there not some program you
10 had where the lumber from Resolution was transported
11 to Hay River for assembling into packages that it leave
12 there?

13 A Do you want to talk to
14 that, Dennis?

15 I'm answering that from the
16 Hay River's point of view, there has been a concern
17 about that operation of yours.

18 WITNESS LOWING: One of the
19 arrangements made with this year's contractor was that
20 he would use as much northern material as possible and
21 local sawmills in the Hay-River area provided foundation
22 timber, blocks and beams, and most of the dimensional
23 material they could, which were made into part of the
24 housing packages shipped from Hay River as part of the
25 230 houses that the contractors supplied. The wall
26 panel, the panel components that were factory-produced
27 came from Yorkton, but the packages were made in a
28 number. It was a major operation in Hay River with
29 all of the things that could be purchased from around
30 here, which was mainly the lumber products.

Lowing, Runge
Cross-Exam by Sigler

1 Q And Hay River still
2 figures in your planning for your future requirements?

3 A It seems to be the
4 most logical place because of the transportation part.
5 It's central and for dispersement to other parts
6 particularly the Mackenzie, that's the distribution
7 centre.

8 Q And I take it from the
9 figures you quote later on in your tables that the
10 barge rates and that, your plan is to transport by
11 barge to the Lower Mackenzie settlements, with supplies
12 going through Hay River.

WITNESS RUNGE:

13 A Correct.

14 Q Now, starting on page 9
15 you comment on the existing housing stock and you
16 stated right at the beginning in answer to a question
17 by Mr. Scott that the figures used in the first para-
18 graph do not include Inuvik as a community of over
19 1,000 people in 1971. I understand in fact that
20 Inuvik was a community of over 1,000 people in 1971.

21 A Yes, it was. I stand
22 corrected.

23 Q So you did include
24 Inuvik in those figures?

25 A Yes.

26 Q O.K. Turning to page
27 24, in your estimated housing needs for the communities--

28 A Yes.

29 Q -- I take it from your
30 comment in that paragraph that one of your presumptions

Lowing, Runge
Cross-Exam by Sigler

1 is that the Territorial Government personnel housing
2 policies will remain the same.
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Lowing, Runge
Cross-Exam by Sigler

1 A Which paragraph are
2 you referring to?

3 Q You say that that is the distribution
4 of new
5 family formations among those who will live in govern-
6 ment staff, or company-owned accommodation, and those
7 who will require social housing will remain the same.
8 So you're presuming that the same number of Territorial
9 employees, Federal Government employees will be living
10 in government -- Territorial Government housing.

11 A Yes. We've applied a
12 growth to the whole of the housing accommodation and
13 we've assumed that the ratios are going to remain
14 somewhat similar.

15 Q Would it be fair to
16 presume that a change in Territorial Governm ent
17 personnel policy that encourages home ownership
18 would affect the figures upwards?

19 A It wouldn't affect
20 family formations, no. We're dealing with something separate,
21 we're trying to establish the number of families and
22 the housing, particular housing unit they live in
23 isn't affected. They generate a need for a housing unit,
24 whether that's an owned unit or a rented unit or a
25 government-owned or a social unit or whatever.

26 THE COMMISSIONER: that's why
27 you chose family formation as the critical indicator
28 of housing requirements.

29 A That's right.

30 THE COMMISSIONER: Excuse me,
Mr. Sigler, it's 12:30 and you are probably going to

Lowing, Runge
Cross-Exam by Sigler

be a while, so let's adjourn and come back at two
o'clock.

(PROCEEDINGS ADJOURNED TO 2 P.M.)

Lowing & Runge
Cross-Exam by Sigler

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. SCOTT: Mr. Sigler, anytime you're ready.

MR. SIGLER: Would you turn to page 25, which is the chart outlining the housing needs by community in 1976 and 1981.

WITNESS RUNGE: Yes.

Now, first of all the first column shows total need before construction then it shows the social housing construction programme leaving a total need at the end of the year.

Q You don't have a chart in there that projects other starts.

A No, I said that when we went through this first, that in the third column, that is simply the social housing starts removed from the total projected need at the beginning of '76 and I said that perhaps that column isn't all that relevant because obviously there would be some starts that had occurred. I said that we didn't have any record of them, in other parts of Canada C.M.H.C. keeps very good records, but in the Territories it appears we don't have that kind of documentation so I don't know. We could have perhaps gone and got the starts from each municipality. We haven't done that so that I indicated that those figures would be high because there would be starts that should be subtracted from them.

Q So that say for a community, say, such as Yellowknife, if you took off the actual -- if you have got from the municipality the

Lowling & Runge
Cross-Exam by Sigler

1 number of building permits that they'd issue --

2 A Permits issued this
3 year.

4 Q -- and subtracted that
5 that would be your guess as a total need.

6 A Yes. I said that, you
7 know, this table was really prepared more for our purposes
8 than for, say yours, and it's the social housing need
9 that we're primarily concerned with. The other need
10 just gets at generally what the total supply would
11 be.

12 Q But at least in the
13 municipalities which I represent they have a -- they
14 are of course responsible for the planning and servicing
15 of new areas for housing and I just want to make sure
16 I understand the significance of your total need figures.
17 You're saying that for 1981, say, for Inuvik is a total
18 need of -- there will be a total need of 181 housing
19 units less the permits that are actually issued for
20 private housing during that period.

21 A Right, and less the
22 social housing that we build during that period of
23 time as well.

24 Q And that's what they
25 should be planning for now in terms of opening up new
26 land areas?

27 A Yes, I qualified Inuvik
28 however, by saying that I understood that at the moment
29 there were units that in the last two years had come
30 open, that the growth rate hadn't been proceeding at

Lowling & Runge
Cross-Exam by Sigler

1 the rate that we had anticipated it here and that
2 perhaps that is one community where these figures would
3 not have been accurate.

4 I did indicate tha the social
5 housing need, I thought was a fairly accurate description
6 of what was required because of the crowding in the
7 already existing housing.

8 Q Well say then, for
9 Yellowknife you've got a total need, you show in 1976
10 before construction for 423 and then a total need at
11 year end of 561 and a social housing need at year end
12 of 181.

13 MR. SCOTT: No, 365, Mr. Sigler.

14 MR. SIGLER: Oh, I'm sorry,
15 I'm looking at the wrong column, 365 total need at
16 year end and a social housing need of 65 at year end.

17 A Right.

18 Q So, if you took off
19 the social housing need at year end, which is 65, from
20 the total need, there would be a need for 300 housing
21 units at year end rather than social housing.

22 A 300 less the housing
23 starts this year in Yellowknife, which I would anticipate,
24 you know, what, 40 - 50, 40 maybe.

25 MR. SCOTT: Mr. Sigler, could
26 I ask a question, just because I'm confused about that
27 answer? Is the social housing need for Yellowknife, at
28 year end for 1976 65 or 238 as appears in brackets?

29 A It's 65.

30 MR. SIGLER: 238 would be
what it was if you use the same formula that you used

Lowling & Runge
Cross-Exam by Sigler

1 for some of the others.

2 A That's right. We said
3 that we'd used two formulas and in the larger communities
4 we didn't think it was appropriate to reflect the growth
5 -- the requirement as a result of self-owned and occupied
6 units because you're largely talking about, you know,
7 people in a higher income as compared to the smaller
8 communities.

9 Q You're saying that the
10 year end of 1976, the total need is greater for Hay
11 River than for Yellowknife.

12 A For social housing, yes.

13 Q And you show Inuvik as
14 having the greatest total need at the end of 1976 but
15 you -- your comments as regards to Inuvik suggest that
16 that may not, in fact, be the case.

17 A Yes, that's true. Changes
18 that have occurred in the last two years -- I said
19 at the beginning, we did not do a specific head count
20 at this point in time. That we were basing our figures
21 on 1974, which is really only two years ago, probably
22 as recent as most places except for the municipal
23 -- the municipalities that have actually done counts
24 more recently than that, but in the settlements certainly
25 I don't think there's been any real recount.
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Lowing, Runge
Cross-Exam by Sigler

1 Q These housing needs that
2 are shown on page 25, they don't include needs that would
3 be additional in the event of pipeline growth?

4 A No, they don't.

5 Q This is just without any
6 pipeline related development? This is a projection of
7 the needs?

8 A That's right.

9 Q That's all I have on that
10 page. That clarifies that for me. Then you go on in
11 your report and you outline the various programs that
12 are in effect now or planned changes or additions to those
13 programs. I just have one general question to ask you
14 on all those programs is why Indian Affairs isn't directly
15 involved in the planning of the housing or the housing
16 needs for the native communities. Or what is their
17 involvement? So you believe all that -- or the impression
18 I get is that it's C.M.H.C. and yourselves that are
19 doing the planning of housing?

20 A That's correct. We are.
21 The Territorial Government, through the Housing
22 Corporation has assumed responsibility for the production
23 of housing in 1974 as we indicated in the report. We
24 are responsible as a corporation for the production of
25 housing. We make use of the National Housing Act which
26 means we get our funds partly through the Central
27 Mortgage and Housing Corporation the way any of the
28 provinces' Housing Corporations or Housing Ministrys
29 do. We get the Territorial share of our budget from the
30 Territorial Government who in turn get it through the

1 Department of Indian Affairs and Northern Development
2 who get it from the Treasury Board. It's kind of a
3 long process but it eventually comes down to us.

4 So their involvement is simply
5 in making requests for funds with and for us through
6 the Minister to the Treasury Board. Both, you know,
7 pockets are on the same person or the same body but --

8 Q Well like for
9 C.M.H.C. funds, those aren't grants, those are loans
10 I take it where interest is paid?

11 A Well they are loans and
12 operating subsidies. They are the same as two separate
13 accounts, one is a loan account and we borrow money
14 capital money and the other is a subsidy account which
15 subsidizes the operation of our houses on a 50:50 or
16 75:25 basis, depending on the type of program we are
17 using.

18 Q But Indian Affairs them-
19 selves aren't directly involved with planning the housing
20 now for the native communities?

21 A. No they are not.

22 Q On page 40, you start
23 there, your section six, pipeline impact. The second
24 major area of impact that concerns the Housing Corporation
25 is this that there's competition for land and services.
26 between N.W.T. Housing Corporation, social housing,
27 direct and indirect pipeline employment housing and
28 normal growth. What type of planning -- what are the
29 planning requirements or what recommendations would you
30 have for planners to deal with this area of concern?

Lowing, Runge
Cross-Exam by Sigler

1 A Well, it is why we
2 tried to establish the housing need for social housing
3 for normal growth and for pipeline impact in order to
4 get an estimate of the number of units that would likely
5 be required. From that, it seems to me, one could
6 plan the subdivisions and tying that into our five
7 year plan for social housing, the five year projection
8 and relating the pipeline impact growth to the actual
9 timing of the pipeline, it would seem to me to be
10 possible to come up with an assessment of the yearly
11 number of units required and then do the planning and
12 the servicing, you know, based on that sort of a schedule.

13 One of the purposes of this
14 document was to attempt to get a handle on the number of
15 housing units that would be required. So from a planning
16 point of view we think there are implications which are
17 pointed to and laid out here.

18 You know, then it becomes a
19 question of you know, multiplying the dollars out.
20 How much does it cost to service, what will roads cost,
21 what will subdivisions cost, where you get the money and
22 how do you time it.

23 Q But the Housing Corporation
24 then will have a definite five year plan for its social
25 housing requirements?

26 A Yes, we do. Every year
27 we prepare a five year Treasury Board submission and
28 appropriate a certain amount of funds and we are
29 attempting to meet this obligation within the next five
30 years. Whether we do that is largely a question of

Lowing, Runge
Cross-Exam by Sigler

1 whether the Treasury Board and Central Mortgage and
2 Housing Corporation will come up with the dollars to
3 fund this kind of a program.

4 Q Well would you have a
5 definite plan at some point that you could submit to
6 each municipality to let them know what your definite
7 construction program will be?

8 A At the moment yes. We
9 have submitted our five year plans to the Territorial
10 Government and to the Department of Local Government
11 and from there presumably we would begin working with
12 each of the municipalities.

13 Q My point is that you
14 mention this area of concern and this competition for
15 land and services within the municipalities or the
16 municipal council as the developer that has got to
17 resolve this competition for land and plan ahead now
18 for its subdivisions.

19 A Yes, I agree and we
20 should be cooperating with you and expect to be.

21 Q So you expect to be
22 submitting your own plans to the municipal councils
23 where appropriate in addition to submitting them to
24 the Territorial Government?

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Lowing, Runge
Cross-Exam By Sigler

1 A By "plans", if you mean
2 overall projections, yes. If you mean land use
3 plans, no. I would expect that's the function of
4 Municipal Government.

5 Q Well, I mean your
6 definite plans.

7 A Yes, I think we under-
8 stand each other, yes.

9 Q For example, do you now
10 have a definite construction program for 1977?

11 A Yes, we do.

12 Q And has that been made
13 available to the Municipal Councils in the communities?

14 A No, it was finished
15 last week and it has not, no.

16 Q And the plan hasn't
17 gone out to them?

18 A Local government have
19 received, yes, a plan of our program.

20 Q But has the Town of
21 Inuvik received --

22 A No, I said it was
23 completed, probably less than a week ago, and it
24 hasn't been submitted to anyone outside of an informal
25 meeting with Local Government.

26 Q You have no argument
27 with you then on the need to.

28 A No, I have no argument
29 at all. We've got to co-operatively produce the
30 housing that's required.

Lowing, Run ge
Cross-Exam by Sigler

1 Q On the bottom of page 44
2 there's a comment that the N.W.T. Housing Corporation
3 could borrow from C.M.H.C. for land assembly and
4 servicing. I take it that the Housing Corporation
5 is not intending to get into the area of land
6 assembly and servicing in the municipalities.

7 A Not in municipalities,
8 no, although there wouldn't really be any reason why
9 we couldn't.

10 Q Do you feel, I take it,
11 from that last comment, do you feel that the Housing
12 Corporation could better plan the municipalities'
13 new sub-divisions than the council could?

14 A No, but we could assemble
15 land. We have that power, I believe.

16 Q At the request of
17 municipalities.

18 A Yes. I'll clarify that.
19 We act like a private developer in that sense and
20 we assemble land in Yellowknife and go through the
21 normal re-zonings and zoning approvals and create
22 and develop land. We are presently working on some-
23 thing right now in Yellowknife.

24 Q But you wouldn't intend
25 to say open up a whole new sub-division?

26 A No.

27 Q Of social housing
28 without consulting with the municipalities.

29 A No.

30 MR. SIGLER: Those are all

Iwing, Runge
Cross-Exam by Bayly

1 the questions I have at this time, sir.

2 MR. SCOTT: Mr. Bayly?

3
4 CROSS-EXAMINATION BY MR. BAYLY:

5 Q As I understand what
6 you have done in your study, it is more to inventory
7 the problems that exist now and to impose upon them
8 a single project as it has been outlined by the
9 pipeline applicants, is that correct?

10 A That's correct.

11 Q And that, I take it, is
12 what makes it very difficult for you to predict
13 actual impacts on individual communities or on the
14 region as a whole.

15 A Well, that's right. I
16 think there are a number of pipelines, during the
17 course of our work on the study, or line proposals,
18 combinations. You know, a new gas plant has come into
19 the picture, as I understand it. There are just
20 a great many variables involved and I think it's
21 not my task to sort all that out. It makes it difficult
22 to actually assess the immediate impact on any one
23 community.

24 Q And I take it you
25 won't be in a position to do that until you find out
26 what is actually going to go ahead, and when.

27 A Yes. Even the timing
28 has changed over the period that we were looking at
29 the problem.

30 Q And given that you work

Lowing, Runge
Cross-Exam by Bayly

1 within a fixed budget that is submitted to the government
2 from time to time, you can only react a short period
3 ahead; you can't react for what might happen in ten
4 years by building up a housing stock now, for example.

5 A No, we make, you know,
6 we develop our best estimates for five years and we
7 try and put next year's development in some context
8 which is that five-year context, and that's the best
9 we can do, yes.

10 Q And you have two kinds
11 of things to do, as I understand. One is to replace
12 existing housing stock that has deteriorated so that it
13 has to be replaced with new houses; and the other is
14 to try and expand the existing number of housing
15 units in those communities where the need is the
16 greatest.

17 A In the past, up until
18 this next year, we have not had a rehabilitation
19 program. We have a maintenance program, but it's
20 not at the level or scale it's required. As of this
21 coming year, we will actually have, yes, a rehabilitation
22 program to rehabilitate some of the housing units, and
23 we build new units.

24 Q Yes.

25 A Correct.

26 Q And when you look at the
27 impacts as limited as your ability to see them is,
28 I take it you looked at the impacts of the influx of
29 people more than you looked at the fact that you
30 might not have as many people available to do the
construction or the erecting of the housing units.

Lowling & Runge
Cross-Exam by Bayly

1 A We tried to look at the
2 second part of that problem as well and there is some
3 discussion in this paper about our concern for the lack
4 of available labour during the pipeline construction
5 period if indeed, particularly the skilled labour in
6 the communities is the group that will become employed
7 on the pipeline.

8 Q And I suggest to you, you
9 run into those problems already in some communities, not
10 having labour available to do the erecting of housing
11 units.

12 A Oh yes. That's correct.

13 Q And certainly not the
14 skilled labour without importing it.

15 A It's continuously a
16 problem with us. We -- you know, we try wherever
17 possible to use local labour.

18 Q Fine. You mention in
19 your paper the possible use of buildings that have
20 been used as camp facilities or in support of pipeline
21 construction as housing.

22 A That's correct.

23 Q That would be after
24 the pipeline construction had been completed or after
25 those units were no longer required.

26 A That's right. To give
27 you an example, currently there's a school being
28 constructed in the Territories out of basically the
29 same component system that we construct our housing
30 out of. You know, every building has walls that go

1 around the outside and it's possible to work within
2 a system that would allow one to use those components
3 for housing purposes afterwards and it was our feeling
4 that there is a possibility of constructing houses
5 with the material that will be brought into the Territories
6 for all sorts of types of structures for the pipeline.

7 Q Now, you can't say, I
8 suppose, until you see the design of those units that
9 might be available, just how suitable they will be
10 for the purpose.

11 A Our recommendation goes
12 beyond that.

13 THE COMMISSIONER: You
14 recommended that you be consulted about the design.

15 A That's right, and that
16 might even be a weak word, "consulted".

17 MR. BAYLY: You'd really
18 like to be more than consulted, you'd like to be in
19 on the planning of those units so that they would
20 be useable for housing.

21 A That's right.

22 THE COMMISSIONER: Is that
23 feasible, I mean is that a -- can you use camp housing
24 for ordinary housing?

25 A We think you can, we
26 think you can. It would depend very much on the design
27 of the houses, of the camp housing, yes.

28 MR. BAYLY: Right. So, you
29 would be looking, not only for something that's adapted
30 to northern climates but something that could be con-

1 verted from a bunkhouse into a single family dwelling,
2 for example.

3 A Well, that's right and
4 we'd also want to make sure that the -- you know,
5 that the insulation standards and values would be
6 sufficiently high that we'd want to maintain them,
7 you know. It may be the proponents desire to build
8 structures that may have high operational costs for
9 two or three years and then junk them and in which
10 case we wouldn't want to be involved in that kind of
11 housing because the operating costs carrying on --
12 I don't know what the plans are to use these; by the
13 way, afterwards, but it may be economically more feasible
14 for them to construct it with less insulation value,
15 say, than we would like, absorb higher maintenance and
16 operating costs during the period of construction and
17 if we were to take over that kind of -- you know,
18 say exterior wall element, just to use that, it would
19 mean that we'd be walking into very high operational
20 costs.

21 ^ S0, we'd like to be involved
22 in the design of them and the kind of standards that
23 they would meet.

24 Q Let me put this suggestion
25 to you, would -- and ask your comment. If you were in
26 on the planning stage and the applicant, Arctic Gas or
27 Foothills said, look, we would like to put in a unit
28 where we pay higher fuel bills because it's cheaper and
29 makes more economic sense in the long run to us, but we'd
30 be willing to put in what you want and can use afterwards,

Lowing & Runge
Cross-Exam by Bayly

1 if you're willing to foot some of the bill. Do you feel --

2 A Well, we'd be willing
3 to negotiate with the company on who ultimately takes
4 those structures over and I'm not sure we'd want to,
5 you know, foot the bill first and see what we get out
6 of it five years down the road, I think we'd -- you know.
7 Lots of things can happen as you cart them from one
8 place to another and I would think that we'd want to be
9 -- and we would be willing to get into a contract
10 negotiation for those structures after their use.

11 Q All right, so you'd be
12 willing to enter into negotiations beforehand and say
13 that if the buildings are in good shape you'd be willing
14 to buy them rather than just take them as salvage.

15 A Yes.

16 Q Now, you'd also then want
17 buildings that could be moved fairly easily without
18 damaging them or creating --

19 A That's why we're talking
20 about a component system. We don't ship the kind of
21 trailer units that are used for modular homes elsewhere
22 in Canada because they're very expensive to move around.
23 You need cranes, that sort of thing, you know? We use
24 a component system which you can take apart and stack
25 up and ship. The volume weight ratios are appropriate
26 to the north for moving goods at least and it's that
27 kind of thing we're looking at.

28 THE COMMISSIONER: Well, the
29 companies, I think are sympathetic to -- that I recall
30 that Foothills offered to let you have all the lavatories.

Lowling & Runge
Cross-Exam by Bayly

1 MR. SCOTT: No, the sewage
2 disposal.

3 THE COMMISSIONER: Sewage
4 disposal, well, lavatories.

5 MR. BAYLY: Right. Is that --

6 A You mean the sewage
7 disposal or the sewage disposal units.

8 THE COMMISSIONER: Units.

9 MR. BAYLY: We expect it's
10 the latter.

11 MR. SCOTT: We're getting
12 the sewage disposal.

13 THE COMMISSIONER: We can
14 handle that.

15 MR. BAYLY: Is that a practical
16 suggestion? Can you take those units, lavatory facilities
17 etc., if they're modular and take them apart and put
18 them into --

19 A The whole question of
20 sewage disposal is a pretty serious one and we've been
21 looking into it and it really depends very much on what
22 they put in and I suspect they may be looking at things
23 like humus toilets and those don't really work, not
24 for the native population at least, based on all of
25 the experiments that have been done to date.

26 Q I understand even
27 architects can't work those in Yellowknife.

28 A Well, there's an incred-
29 ible experiment going on in Yellowknife right now, yes.

30 There are all sorts of problems,

1 one of them being referred to as the Saturday night
2 syndrome, you know, where, you know, many people get
3 together in an evening and the toilets just aren't
4 designed for that. So, there are lots of problems with
5 them. I'm not sure we want their sewage.

6 THE COMMISSIONER: So much
7 that has happened in the Territories. Towns are
8 planned and now you're urging that social customs be
9 modified according to the requirements of sewage
10 disposal.

11 A No, we aren't.

12 Q I'm speaking facetiously.
13 You sometimes get the feeling that sewage disposal is
14 the first criterion of community planning, maybe it
15 ought to be, I don't know, anyways carry on.

16 MR. SCOTT: If it is, it's
17 been notoriously unsuccessful, as it doesn't appear
18 to exist in most locations.

19 THE COMMISSIONER: No, the
20 disposal may have been unsuccessful, but the community's
21 been planned as if it were successful from the point
22 of view of sewage disposal.

23 However, I think -- where is
24 this getting us?

25 A Yes, I'm wondering myself.

26 MR. BAYLY: I hadn't intended
27 to get into that subject at all.

28 THE COMMISSIONER: No, if
29 you are talking about conditions to be imposed on any
30 right-of-way that the Minister grants to Arctic Gas or

Lowing & Runge
Cross-Exam by Bayly

1 Foothills, the Foothills proposal regarding disposition
2 of those sewage disposal facilities they intended to
3 have in the camps was one that we have to consider
4 and Mr. Scott and his staff will be coming up with a
5 recommendation on that and you've proposed that one
6 of the other terms of conditions be, first of all,
7 that there be some requirement that they build these
8 camp components according to standards that will enable
9 them to be utilized afterwards as homes for
10 people and that's a proposal that I regard as one we
11 should consider very seriously and I have no doubt that
12 the two companies will consider it sympathetically and
13 let us know their position.

14 Just so that I understand you,
15 you are saying that from the camp to the new site,
16 that is you will accept delivery, so to speak, for
17 nothing of the camp modules and you'll be responsible
18 for taking them to the new site, is that what you've
19 said or have you gone that far?

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Lowling, Runge
Cross-Exam by Bayly

1 A I don't know think we
2 have said it for nothing.

3 Q What are you willing to
4 pay? What's your --

5 MR. SCOTT: Well surely, Mr.
6 Commissioner --

7 A I don't think we can
8 barter at this stage.

9 THE COMMISSIONER: Well what
10 I am getting at is, is there any principle you are
11 applying here?

12 A We are not saying for
13 nothing. That would be nice.

14 Q Well why aren't you?
15 What would they have to do with them? Haul them back
16 up the Mackenzie River?

17 A Well there may be other
18 purposes that they could be put to I suppose. They
19 could be used for construction on highway, I'm not sure

20 Q Or sell them to a seismic
21 outfit? That sort of thing?

22 A Yes. Or, you know --

23 MR. STEEVES: Arctic Gas
24 planners are looking at ^{this whole question} of cost of removal and
25 disposal.

26 THE COMMISSIONER: I would
27 think so and if they take them off your hands, you
28 would probably say "good luck and God bless" and with
29 the Foothills toilet facilities --

30 MR. STEEVES: You never get me

Lowing, Runge
Cross-Exam by Bayly

1 that close to Foothills.

2 A But we would like to put
3 in a caution and it's a serious proposition and we
4 think that, you know, there has been a lot of housing
5 that has been left over in the Territories from a lot
6 of, you know, exploration activity and there is a lot
7 of junk as a result of it. We're not interested in that
8 and that's why we want to be consulted.

9 THE COMMISSIONER: It's a net
10 -- it may be a benefit to be weighed in the whole scale
11 of social and economic cost benefit so far as the
12 Territories is concerned. The reason I am dwelling on
13 it is it's a firm, practical proposition that we can
14 contend with. So it interests me.

15 A Right. I am not sure
16 about the toilets.

17 Q We we'll --

18 A See about that.

19 Q -- see what Mr. Scott
20 and the staff come up with on that. Mr. Gamble, who
21 is a key member of Mr. Scott's staff is an expert on
22 sewage disposal in the Territories.

23 MR. BAYLY: I think if we
24 follow Mr. Gamble's subject a bit farther, there are
25 designs at least on the drawing board ^{for} utilidor systems
26 that are also modular. Would the Territorial Housing
27 Commission be interested in those if they were used in
28 camps with a possible transference of them to communities?

29 A We could be but I think
30 you know, we'd be involved there with Local Government

Lowing, Runge
Cross-Exam by Bayly

1 pretty considerably because that is really their
2 responsibility; the whole provision utilidors and
3 -- depending again what municipalities we are talking
4 about.

5 Q It would have something
6 to do with the design of the units that you would
7 be interested in --

8 A Yes.

9 Q -- if you found that
10 Local Government planned to put running water and sewage
11 lines into and out of the houses?

12 A Yes.

13 THE COMMISSIONER: Excuse me
14 Mr. Runge When I spoke to you and said, "well why aren't
15 you asking that you get for nothing" I was serious.
16 You see you may discover that this company is prepared
17 to consider that quite sympathetically.

18 A Well we'll --

19 MR. SCOTT: Mr. Commissioner,
20 may I make an observation about this that it seems to
21 me that it might be unfair both to Arctic Gas and to the
22 Housing Corporation that they should be invited to either
23 negotiate or set their base positions now in a public
24 hearing. Obviously if the Housing Corporation stipulates
25 that we will pay "x" dollars, that creates a floor from
26 which bargaining then proceeds.

27 Surely the proposition of the
28 Housing Corporation is that we would like to (a)
29 participate in the design of these units and, (b)
30 negotiate for their utilization after the project is over

Lowing, Runge
Cross-Exam by Bayly

1 is really as far as we could go. We can't -- or can we?
2 I'm asking a question. Can we attempt to bring the
3 parties together to negotiate in this form?

4 THE COMMISSIONER: Well I am
5 not asking them to negotiate. I am just telling Mr.
6 Runge not to give away anything more than he has to
7 at this stage and if you want.

8 A We would like to --

9 THE COMMISSIONER: -- the
10 ultimate consumers of gas in Canada and the U.S. to pay
11 for those houses, this is the way.

12 MR. SCOTT: Well they may be
13 invited to pay for more houses than those. We'll deal
14 with that one too.

15 THE COMMISSIONER: I thought
16 we were getting to something that I might be able to
17 include in my report so, I kind of got a little anxious
18 here.

19 MR. BAYLY: I hope Mr. Scott
20 is not going to make these objections when I call my next
21 panel.

22 A We would prefer to get
23 the units for nothing if that is what you want to hear.

24 MR. SCOTT: Well I would have
25 thought that Arctic Gas might pay you to take them
26 away.

27 A I think perhaps that that
28 would be a good basis for beginning negotiations.

29 Q Well Arctic Gas has the
30 disposal problem presumably following construction Mr.

Lowing, Runge
Cross-Exam by Bayly

1 Commissioner and it may that that could be another area
2 for negotiation.

3 THE COMMISSIONER: Well I
4 think Mr. Scott is --

5 MR. SCOTT: I am available to
6 assist in your negotiations, Mr. Runge.

7 A Keep going.

8 MR. STEEVES: I ask this on
9 behalf of your client to protect me.

10 MR. BAYLY: I think I'd
11 better move to something else Mr. Commissioner. We
12 have probably exhausted this.

13 MR. STEEVES: I should certainly
14 say.

15 MR. BAYLY: On another subject,
16 you talk about social housing requirements and you
17 develop a size of a household I understand on page
18 four. You say -- you talk about a family formation rate
19 of 5.86 to 1976 and a 4.24% rate to 1981. Can you
20 tell me why that changes over that period of time?

21 A . . . Only that the Department
22 of Indian Affairs and Northern Development, in their
23 calculations and projections of population increase
24 developed a model that in fact had that change occurred
25 and they had factors built into it that are -- really
26 go beyond what we -- we looked behind their study.
27 I think that you would be better off directing your
28 questions at the people who generated the population
29 model.

30 Q Well you rely on

Lowing, Runge
Cross-Exam by Bayly

1 them and I take it that that is for budgetary reasons.
2 You have to go to them for money.

3 A Right. Well we relied
4 on it. It was a model that pretty accurately predicted
5 the 1971 census figures in the Territories. They were
6 only off by I think less than about five or six hundred,
7 and used that model into 1976 to 1981. They run
8 on 27 combinations you know and --

9 Q So it has proven itself
10 in the past and you are confident enough at least to
11 use it in your projections.

12 A That's right.

13 MR. BAYLY: Those are all the
14 questions I have of this panel. Thank you very much.

15 MR. SCOTT: Mrs. MacQuarrie?
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Lowling, Runge
Cross-Exam by MacQuarrie

1 CROSS-EXAMINATION BY MRS. MACQUARRIE:

2 Q ^{Mr. Runge,} My questions are just
3 of a general nature. Do you have jurisdiction over
4 the quality of materials used in constructing houses
5 in the Territories?

6 A We do over the quality
7 of materials in the houses we construct.

8 Q But not in the others?

9 A No. Those that are
10 funded through the Central Mortgage & Housing Corporation
11 are required to meet the National Housing Act standards.

12 Q Is Federal or Territorial
13 housing required to meet these standards as well?

14 A The housing now built
15 by our corporation since 1974 using the National
16 Housing Act funding does meet the standards of
17 Central Mortgage & Housing Corporation and the National
18 Housing Act. Prior to 1974, that 2,635 houses that are
19 in the Territories would not meet the present National
20 Housing Act standards.

21 Q The southern concept of
22 a three-bedroom home is, from my observations, not
23 appropriate to the actual northern reality of a three-
24 bedroom house that's constructed here. Would you
25 agree?

26 A I would agree. I would
27 like to say at this point, there may be a question
28 on it but I'd like to get my order in first, that
29 first of all in the last three years what we've done
30 is developed a housing unit that we can deliver and

Lowing, Runge
Cross-Exam by MacQuarrie

1 get built and work done on the construction aspects of
2 it and some of the technical problems. We presently
3 have a committee set up between the I.T.C. and the
4 Dene Housing group and are going to begin a demonstration
5 development project which will look at the design of
6 the house and improvements to the actual construction
7 of the unit in the hopes that we can come up with a
8 more appropriate housing unit. I certainly have a lot
9 of ideas on what I hope we can do, but I'm very inter-
10 ested in what people on that committee will direct us
11 to do.

12 Q Are you likely then to
13 take into consideration the, in designing these units,
14 the lifestyle of the people who will be occupying them?

15 A Very much so, that's
16 very much our intention.

17 Q I once lived in a \$75,000
18 house in the Keewatin which had two tanks, one on top
19 of the other. The lower one was for the fuel oil; the
20 upper one was for the waste water. The method of
21 emptying the laundry tank in this extended basement
22 house was to pump the water by hand out of the tub,
23 up across the ceiling, then into the tank. Now, it
24 took me three weeks to decide that it was much simpler
25 to drill a hole in the floor and let the water seep
26 out under the house, since the fellow who was removing
27 the water from the tank merely let the water run down
28 outside the front down to the lake. Anyway --

29 A There was a question
30 there, I think.

Lowing, Runge
Cross-Exam by MacQuarrie

1 Q -- there is a question:

2 Do you have a final inspection of these homes once
3 they're built for any particular standards, or --

4 A C.M .H.C. along with our
5 corporation, inspect the housing units before occupancy.
6 Prior to occupancy.

7 Q I see, and this --

8 A And pressure systems are
9 being installed, I believe in most of the homes, if not
10 all of the houses we're building this year. I under-
11 stand that as a result of putting pressure systems
12 into some of the communities, they've now got pump-out
13 tanks where they didn't exist before.

14 Q Marvellous.

15 A Pump-out trucks, sorry.

16 Q In your discussion about
17 the social housing, do you have any jurisdiction or
18 who does have over the qualifications that people must
19 meet in order to secure low-cost housing?

20 A Well, the overall
21 guidelines are national, 25% of income on shelter, if
22 your income is such that you couldn't pay the rent
23 required you would not pay greater than 25% of your
24 income on shelter; and if your income was below 400,
25 it would go down to 17.6 at \$32, I think. But the
26 actual and real answer to that question, the more
27 important answer, I think, is that the Community
28 Housing Associations, which are non-profit, are the
29 ones who are responsible for making the decisions on
30 who lives in which houses, which new houses, which homes

Lowing, Runge

Cross-Exam by MacQuarrie

are allocated to persons in that community, and for
adjusting people as family sizes change and new houses
are built, that sort of thing. That is done by the
housing authorities, not by us in Yellowknife, not
by the corporation as such

6 Q The reason that I asked
7 that question of you is that the application forms for
8 low-cost housing require fairly intimate detail of
9 the person applying for low-cost housing to the point
10 where the person would rather not fill out the form
11 because they don't want to expose their soul to the
12 local housing authorities.

13 WITNESS LOWING: What is the
14 question?

15 Q The question is, rather
16 I was qualifying my earlier question to you whether
17 you would have any jurisdiction over who looks after
18 the low-cost housing in the communities.

19 A We assist and
20 help the local organizations wherever we can; but to
21 my knowledge and experience, I do not recall anyone
22 that I have come across that really was that much
23 concerned with the contents of the application that
24 they didn't fill them out to accept the house. Most
25 of the associations meet in camera to determine income,
26 to determine rent which is based on income and
27 allocate houses. But it is done by them at the
28 community level. I have but don't recall in the last
29 -- I've been involved since '69 -- anyone in most of
30 the communities where I have experience concerned about

Lowing, Runge
Cross-Exam by MacQuarrie

1 the contents on the application.

2 Q Well, perhaps not because
3 they refuse to fill out the application forms and came
4 to our office to ask if they could -- if actually
5 these application forms were not an invasion of
6 privacy.

7 MR. SCOTT: Well, could I
8 ask Mrs. MacQuarrie for an example of the intimate
9 detail that is on the form?

10 MRS. MacQUARRIE: If I
11 recall correctly, and I do have a copy of the form
12 at the office, I believe, it seems to me that this
13 person who came to us was reluctant to -- the question
14 was, "What is your marital status and are you
15 living commonlaw, and how long have you lived commonlaw
16 with this particular person, and who else have you
17 lived commonlaw with?" Those kinds of things.

18 "Was your discharge from the Army honourable
19 or dishonourable?"

20 A I don't think that's one
21 of our suggested applications.

22 Q It was the one being
23 used in Yellowknife about a year and a half ago, and
24 I don't know if it has been updated or not.
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Lowing, Runge
Cross-Exam by MacQuarrie

1 A Yes, the application
2 must contain income information and general family
3 information and the application form is the one -- we
4 recommended the one suggested to us by Central Mortgage
5 and Housing and is in most of the Housing Authority
6 manuals. Unless the Local Housing Association has
7 altered it, and they are free to do that, I expect that
8 if it was an invasion of privacy, then we have the juris-
9 diction to suggest to them that they discontinue the
10 use if it is brought to our attention.

11 Q I see.

12 A This is the first I have
13 heard of it.

14 Q Do you let the contracts
15 for building of the units. Do you accept any responsibili-
16 ty for the activities that the southern workers brought
17 in, the skilled workers especially in the outlying
18 communities?

19 WITNESS RUNGE: I am not clear
20 on the question. Do we accept responsibility for the
21 -- for the what?

22 Q For the bad problems of
23 the construction workers brought in from the south?

24 A The bad problems -- the
25 problems of --

26 Q No, I said the "bad"
27 problems. Occasionally it has been our experience that
28 southern construction workers are notorious for leaving
29 behind little bundles of joy and I wondered if you accepted
30 any responsibilities in that area?

Lowling, Runge
Cross-Exam by MacQuarrie

1 THE COMMISSIONER: Well I
2 would like to hear the answer to that question.

3 MRS. MacQUARRIE: Which cause
4 by the way a very serious mental health problem and a
5 social problem.

6 A I personally haven't guilty
7 but, no, I don't.

8 THE COMMISSIONER: You accept
9 no responsibility and speaking for the corporation,
10 neither does it, right?

11 A As I understand it, yes.

12 MRS. MacQUARRIE: There is just
13 one final general question here. The cost of construction
14 of a home in the Territories is fairly high and
15 also the maintenance costs of these units is very high
16 so the potential home owner is not likely to be able
17 to afford to build or would prefer to merely rent
18 since he can't afford the maintenance costs. Perhaps
19 you mentioned earlier and I missed it, do you have any
20 compensation or subsidy in that area?

21 A We have been working on
22 a program called Rural and Remote Housing and it would
23 require persons to spend a larger percentage of their
24 income on shelter but it would also subsidize utility
25 costs, which is not normally available anywhere in
26 Canada that I know of under any programs that I know
27 of for the cost of fuel and heat, light and water, power
28 and that sort of thing.

29 This program would, but
30 unfortunately, it does not look like this program is going

1 forward although the program that was developed between
2 C.M.H.C. and the Brotherhood -- that is where I think
3 the idea generated from. We have been involved in it
4 and we would like to see it developed in the Territories
5 but the overall subsidy implications of the program look
6 as though they are going to be very great and the
7 Federal Government appears to be backing away from that
8 program.

9 So we are working on one.
10 We would very much like to see one go forward but I am
11 not sure that it will.

12 The question you raised in
13 addition though is that because the costs are so high,
14 wouldn't people prefer I think as you were saying -- you
15 were suggesting -- to remain in a position of rental
16 and that's right, it is. That is the problem in the
17 Territories. There is no simple solution. If we
18 charged more for shelter, you know, all we would have is
19 -- we already think 25% is the maximum people should be
20 paying.

21 Q. Yes. I wasn't referring
22 to the cost of -- like the subsidizing water, electricity
23 and those kinds of things. I was thinking in particular
24 of the houses in the School Draw that have tilted because
25 of the foundation not being suitable. If there is
26 something that goes wrong with the house once it is
27 built like a break of a water line or whatever, is
28 there any way that you contemplate or assist in repairing
29 these kinds of damages?

30 A We looked at a Home Owner's

Lowing, Runge
Cross-Exam by MacQuarrie

1 Warranty Program and it was a program that was going
2 to be taken on by the Central Mortgage and Housing
3 Corporation. However, in the light of pressure from
4 HUDAC and the development industry, it is a program
5 that has been dropped nationally as a government program
6 and is run rather by the development industry itself
7 and as it happens, there are very ^{few} members of HUDAC
8 involved in the Territories. It would be a fairly
9 expensive program if we were to do it ourselves.

10 We would be interested in the
11 program if the Federal Government would take it over.
12 But there is really not much possibility at the moment.

13 Q You mentioned in response
14 to Mr. Bayly's questions you say that you would like
15 to be involved in assembling the land for housing. Is
16 that so in the communities?

17 THE COMMISSIONER: You are
18 involved in some areas.

19 A We are involved in some
20 areas and we are getting more involved.

21 MRS. MacQUARRIE: All right.

22 A We need the land.

23 Q Pardon me.

24 A We need land if it is
25 not being made available to us, we are looking at the
26 acquisition of funds from the Central Mortgage and
27 Housing Corporation or Treasury Board.

28 THE COMMISSIONER: You assemble
29 the land and then you act like a private developer and
30 put in the services yourself.

Lowing, Runge
Cross-Exam by MacQuarrie

1 A Yes. We have done very
2 little of that.

3 Q To augment the municipalities
4 supply of serviced lots.

5 A Yes. We have done very
6 little of that in the past but we are looking to get
7 into doing more of it because of the land availability
8 problem.

9 MRS. MacQUARRIE: Is this
10 done in consultation with the local residents?

11 A Yes, very much so.
12 The procedure is that we go into a community and work
13 with the association and the community council to
14 determine the community would like to grow, develop
15 the plans for it, have it approved by their local
16 municipalities, submit them then to the local government.
17 Local government usually agrees and sends them back
18 to us saying, "fine, you can put your houses in that
19 place". -- in those places. That's the procedure that
20 we are following in our --

21 Q Are the decisions
22 or firm recommendations of the band councils actually
23 adhered to or are they overridden at the regional
24 office or further on? I was thinking in terms of
25 wind shifts. Usually the people who live in the
26 community know which way the wind is blowing and know
27 that houses in a particular area won't be subject to it
28 being covered by snowdrifts all winter and this kind
29 of thing and also some communities want integrated
30 housing rather than segregated and in the past, although

Lowing, Runge
Cross-Exam by MacQuarrie

1 the communities have met and said "this is where we want
2 these houses built", once the construction begins, they
3 are off somewhere else totally in the other direction
4 to where --

5 A Well the community builds
6 them and sometimes after we have agreed where they
7 should go and everyone has agreed to it then we get into
8 the community and find they are off somewhere else too.

9 Q Yes well that's what
10 I am getting at.

11 A All I can say is we
12 consult with the community and we attempt to put the
13 houses where people want them. Sometimes that involves
14 very great expenditures. We are looking at a problem
15 in Frobisher Bay where you know, it may cost us 15
16 to \$20,000 extra to put houses where the community wants
17 them. Probably we won't do that. I don't know though.

18 Q But who makes the final
19 decision there?

20 A We do, I think. It's
21 more complicated than to answer "we do" because Local
22 Government could likely veto what we are doing and
23 considerations of N.C.P.C.

24 Q Is there a kind of
25 meeting with the council and the council's decision
26 is totally overridden in the final analysis then, is
27 that so?

28 A That's not the objective.

29 Q No it is not. But it
30 in fact occurs.

Lowing, Runge
Cross-Exam by MacQuarrie
Cross-Exam by Steeves

1 MR. SCOTT: That isn't the
2 answer he gave either.

3 MRS. MacQUARRIE: Thank you.

4 MR. SCOTT: Mr. Steeves?

5 MR. STEEVES: Mr. Runge, the press
6 has asked me to put a question to you --

7 MR. SCOTT: Could you speak
8 into your microphone please?

9 THE COMMISSIONER: A question the press
10 asked you to put?

11 MR. STEEVES: The press has
12 asked me to put a question to you Mr. Runge.

13 CROSS-EXAMINATION BY MR. STEEVES:

14 Q Is it your position that
15 there ought to be no pipeline until there has been a
16 land assembly?

17 A At what scale do you
18 mean that?

19 MR. STEEVES: I have no other
20 questions than that but seriously Mr. Commissioner there
21 is much in this report and this evidence. As I understand
22 it, these two gentlemen have invited discussion between
23 them and the applicants and I want to say right now
24 that Arctic Gas would like to take advantage of that
25 invitation. Much of the information that I would
26 ordinarily get in cross-examination, I think I could
27 get better my having my advisors -- the Arctic Gas
28 advisors talk to you perhaps by correspondence.
29 I would be glad to file any of that correspondence after
30 the exchange has been completed.

THE COMMISSIONER: Fine.

Lowing, Runge

A Fine

THE COMMISSIONER: Well at any rate by the time we reach final argument, Arctic Gas would be able to take a position on Mr. Runge's recommendations and in particular on recommendation number five which falls specifically within the purview of the Commission -- this Inquiry that is and that will be fine.

MR. SCOTT: Well Mr. Steeves, is that the end of your questions?

MR. STEEVES: Yes sir. Yes sir.

MR. SCOTT: I was told by Mr. Hollingworth that he had no questions to ask.

MR. BAYLY: Before Mr. Scott says the final prayer, I have some --

THE COMMISSIONER: No, I have already said it.

2

Lowing, Runge

1 MR. BAYLY: I have some
2 documents that I'd like distributed.

3 THE COMMISSIONER: Before you
4 do, I just want to ask these gentlemen one or two
5 questions.

6 Q Mr. Lowing and Mr. Runge,
7 let me say that you've caught us at a bad time. We've
8 been sitting continuously three weeks now, on weekends
9 and during evenings, and we're not at the top of our
10 form.

11 MR. SCOTT: I'm not sure about
12 that.

13 THE COMMISSIONER: Let me say
14 that these recommendations you've made are recommenda-
15 tions that I regard as most important and I appreciate
16 your bringing them forward here. There's only one
17 question I have, and it arises out of the general
18 tenor of your paper. You felt obliged to adumbrate
19 the considerations that underly your policy before
20 moving onto pipeline impact, and I quite understand
21 that. The corporation sees ^{as} one of its main goals the
22 expansion of home ownership in the Northwest Terri-
23 tories. I take it that's written in your Constitution
24 or under legislation under which the corporation
25 was established.

26 A No, it's not written
27 there, but it is a policy adopted by the Council of
28 the Northwest Territories directed to our Board and
29 our Board has adopted it as a policy. It also comes
30 out of the recommendations, initially it came from the

Lowing, Runge

1 recommendations of the Task Force on Housing which
2 took place a number of years ago in 1972.

3 Q Let me ask you a question
4 about that. You see, in Southern Canada home owner-
5 ship is becoming, appears to be coming, it may be because
6 of the way we designed our cities or the way we build
7 our homes on the single family dwelling model, that's
8 not for me to say, but home ownership seems more and
9 more unobtainable for people in Southern Canada. Now
10 the pattern of home building here for Civil Servants
11 and say people who live in a place like Pine Point
12 in one of these larger centres, is to bring all the
13 materials from the south, which means that home
14 ownership here is even more costly if you want to
15 reproduce southern type homes, than it is in Vancouver
16 or Edmonton or Prince Albert or these places. Now,
17 Mrs. MacQuarrie mentioned this -- she's gone now --
18 that she bought a \$75,000 home which I assume she
19 occupied as a public servant in Keewatin. That's an
20 awful lot of money for a home and yet I would bet
21 that that home would cost 100,000 today to establish
22 wherever she was. So that surely the use of northern
23 building materials and modes of construction approp -
24 riate to the northern climate and so on, inevitably
25 are going to have to be adopted. In other words, I'm
26 just curious because like many things this may be
27 well beyond the limits of this Inquiry, but if you
28 seek to pursue the notion of reproducing in these
29 northern communities, even if you limit it just to
30 Civil Servants and business and professional people

1 and people employed by the mining industry and the
2 pipeline companies and so on, leaving native people
3 out of it, I don't see how you would ever achieve it
4 for them. But if you seek to reproduce the kind of
5 housing they have in Burnaby or Scarborough in these
6 communities, you're going to be writing this paper
7 again in five years and you're going to be falling
8 even further behind in terms of meeting the demand
9 for housing stock by the white people who come here
10 as Civil Servants and private industry and so on.
11 Do you want to comment on that?

12 A Well, I think first
13 you're right. Home ownership is expensive. Home
14 ownership is becoming more expensive. The percentage
15 of people who would want to lock themselves into
16 home ownership, which involves some considerable
17 effort often, to get out of if you decide to leave
18 the Territories, for instance, which is, I presume,
19 one of the reasons the government is interested in
20 advocating it, that's one of the many reasons.

21 I don't think that - I think
22 that what we were saying in this brief, and I think
23 the position of our Council and Board is that -- well
24 the position of our staff, we'll deal with that one
25 first, is that the way in which assistance is provided
26 to people at the moment could be provided to people
27 in government, could be provided in such a way so as
28 to make home ownership much more attractive than it
29 is. Secondly, the way it's provided even for the
30 rental market, creates certain kinds of problems

Lowling, Runge

1 because the renter, even the renter is forced really
2 to live in a unit that the government leases rather
3 than a unit open in the normal private market sense
4 in the south. There is an inequity built in there
5 as well, so that it's unlikely that you're going to
6 find the private sector building very much in the
7 north unless it builds it in long-term leases to the
8 government because then the government worker has
9 open to him the opportunity of the full benefits of
10 the present staff housing policies.

11 So we're saying that even
12 if people don't become homeowners, there is a way
13 of providing assistance that could make it more
14 equitable for renter -- in government-owned housing
15 accommodation -- in renter in privately owned
16 accommodation and homeowner I don't myself see a
17 tremendous, you know, cry for home ownership,
18 although in Yellowknife, for instance, there is or
19 does appear to be a growing number of homeowners.

20 The native population, you
21 said setting them aside, well I don't think we can.
22 One of the things that the Dene Housing group has
23 put to us, and the Brotherhood, Indian Brotherhood
24 has at a national level --

25 Q Well, setting them aside,
26 for purposes of bringing building materials from the
27 south and reproducing homes southern style in all of
28 these places, that is what is attempted in certain
29 respects in Yellowknife and even in Inuvik. It hasn't
30 even been attempted in the settlements except for the

Lowling, Runge

1 teacher's house and so on.

2 A We have been working,
3 though, with the Dene Housing group in McPherson and
4 I guess three or four communities in the Territories
5 where we actually have people who make \$10,000 who are
6 -- you know, very much want to own a home and I think,
7 you know, the standards that exist in the south and
8 that get transposed in the north are also picked up
9 by the native people here, and there is that whole
10 question of, "That's what he's got; that's what I want "
11 thing that happens.

12 Q But nobodymaking \$10,000
13 a year in Southern Canada can own their own home today,
14 can they?

15 A Very few, especially a
16 new home, no. From our point of view, it sounds crass
17 probably to say it, but 25% of income on shelter is
18 what we collect, you know, if we collect it on rental
19 housing, and an ownership program would mean collecting
20 33% of income for the privilege of home ownership. If
21 people want that privilege particularly when there's
22 a demand for the program, we are willing to entertain it.

23 We were not the ones that went
24 into this particular program. We're in it now but it
25 was not at our behest that a rural housing program
26 was created.

27 Q I understand, I mean I
28 think all of us are brought up to believe that home
29 ownership is something to be sought and to be attained,
30 and I don't understand how in Southern Canada anybody

Lowing, Runge
Re-Examination

1 starting out in life and earning an average income
2 can ever expect to own his own home. I just don't
3 understand that. So long as we maintain the kind of
4 housing patterns that we've developed.

5 A I agree with you
6 completely, as long as the land condition is maintained
7 and capital gain and the lack of its taxation on housing,
8 I myself do not see how it can carry on.

9 MR. SCOTT: Mr. Commissioner,
10 could I follow that up with a question if you're
11 finished?

12 THE COMMISSIONER: Yes.

13
14 RE-EXAMINATION BY MR. SCOTT:

15 Q First of all, Mr. Runge,
16 you're primarily in the business of low-income
17 housing, rental or ownership.--
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Lowing & Runge
Re-Examination

1 A That's correct.

2 Q And that involves two
3 components as far as ownership is concerned, financing
4 and/or construction and provision of prefabs.

5 A That's correct.

6 Q Have I got that right?
7 Well now, if you could turn to page 48 of your brief.

8 A Yes.

9 Q And there dealing with
10 Fort McPherson for example, you show the costs of
11 providing a four bedroom prefab house. Now, the house
12 -- the total cost of that house is some \$37,000.00, when
13 ready for occupancy.

14 A Yes.

15 Q Of that, the erection
16 costs or community costs, in the sense that they're
17 paid to workmen in the community.

18 A Yes.

19 Q Yes. The same is true
20 for gravel pads.

21 A That's correct.

22 Q The other items, one,
23 two, three, four, five, are the cost of the prefab
24 house and getting it to MacPherson.

25 A Well, local cartage
26 is also a local cost and part of the sealift cost, you
27 know, is related to labour coming up the Mackenzie.

28 Q All right, but let me
29 put it this way, the bulk of items one, two, three, four
30 and four are the costs of buying the house and bringing

1 it to the place where you want to put it.

2 A No. One, two are those
3 costs. Three is getting it off the barge and to the
4 house site and that's done locally.

5 Q And that's paid locally.

6 A Yes it is.

7 Q That's money paid into
8 the local community.

9 A Yes, it is.

10 Q Yes.

11 A The sealift operation,
12 we're really talking about the barging operation up
13 the Mackenzie. I presume that employs northern people.

14 Q All right, well then,
15 if you look at one and two only, the cost of the house
16 that is paid outside the community is some, let's say
17 \$23,000.00.

18 A Yes.

19 Q Is there any scheme of
20 which you have any knowledge, in which houses could
21 be produced at the rate of 200 or 300 a year in this
22 valley that cost less than that and were
23 serviced?

24 A No, I don't think they
25 could cost less than that. Some of that is now done
26 in Hay River. We have a proposal for a development
27 corporation to be established which could well get into
28 the production of housing. I don't think it would make
29 it any cheaper, but it would be done in the north and it
30 would employ northerners and therefore that income would

1 remain within the Territories, or a large part of it.

2 Q The point I'm getting
3 at is that a certain proportion of your housing costs
4 provide a community benefit in terms of providing
5 jobs to people in local communities.

6 A Yes.

7 Q The rest is money that
8 is paid to people in southern Canada for the cost of
9 the prefab.

10 A Yes.

11 Q And what I'm asking is,
12 can you duplicate, or is there any alternative method
13 at the rate of \$23,000.00 of duplicating a house that
14 is servicable in the Territory by using local materials
15 or anything of that kind?

16 A There is nothing presently
17 available, no. The only other -- you know, we were
18 involved in a log cabin operation which produced
19 housing units considerably more expensive than these.
20 We are involved in a stick built operation, which again
21 produces houses that are more expensive than these.

22 THE COMMISSIONER: Are they
23 better houses?

24 A Are they better houses?
25 I don't think so, no.

26 So that we -- this is the
27 most economical package. The way in which we could
28 get more labour in the north would be to develop a
29 construction capability to produce that package within
30 the north and that's something we're looking very

Lowing & Runge
Re-Examination

1 seriously at.

2 MR. SCOTT: But, if I were
3 to say to you, well now look, you use local materials
4 and local communities and local goods and supplies to
5 produce a house in MacPherson that costs \$37,000.00,
6 would you be able to do it to a comparable standard?

7 A No.

8 MR. SCOTT: Those are the all
9 the questions I have, thank you.

10 (WITNESSES ASIDE)

11 THE COMMISSIONER: Mr. Bayly,
12 you had some?

13 MR. BAYLY: Yes, Mr. Commissioner,
14 I have some evidence that I've distributed to all
15 the parties present here today and I'd just like to
16 say for the record what that is and say what else is
17 coming in the weeks -- the week that has been set aside
18 for the bulk of the Phase four case that COPE and
19 ITC. present.

20 There's evidence from Gaile
21 Noble on health care and delivery systems, Alaskan
22 evidence from Messrs. Worl, Hopson and Lincoln.
23 Evidence on alcohol from Sam Raddi and Don Bruce,
24 evidence on mental health and psychological and psychiatric
25 problems from Drs. Atchenson, Kehoe and Abbott, Evidence
26 on physical health problems from Dr. Mayhall, Dr. Hildes,
27 and Dr. Schaefer. Other evidence which is not yet
28 been distributed, but will be distributed as soon as
29 it arrives in my office is evidence from Louise Clark
30 on housing, evidence from Don Snowdon and Ralph Curry
on alternate development and as has been mentioned

1 previously, the land claims panel to be called by
2 COPE we contemplate would be called outside this block
3 of evidence, following it at some point.

4 MR. SCOTT: Mr. Commissioner,
5 could I make the following announcements, if that's
6 what they're called.

7 We have served today, on each
8 of the participants a copy of the transcribed evidence
9 which we propose to call, of Mr. Ray Creery, the Director
10 of the Department of Local Government. We propose
11 to file that today as an exhibit and I do not propose
12 to call Mr. Creery, ^{to read it} he wouldn't be called down until
13 October anyway, but I don't propose to call him to read
14 it unless any of my friends indicate to me that they
15 wish to ask him questions about it. If they wish
16 to ask him questions about it, or indeed wish to ask
17 him questions, I will then call on him, but his evidence
18 is there, I don't intend to call him unless one of
19 my friends indicates they want to cross-examine him.

20 That's item one, item two,
21 Arctic Gas has indicated that it does not propose to
22 call any of the authors of the Gemini North report or
23 of the VanGinkel report. I want to indicate to all
24 participants that if they wish to cross-examine either
25 of those authors I will arrange for them to be here
26 but they must give me adequate notice which will be about
27 two weeks. And so, if they wish to cross-examine those
28 persons about their reports, would they be good enough
29 to let me know in writing.

30 The third matter is that, as

1 I've said at each of the other phases, if any person
2 or party wishes to cross-examine any person participating
3 in the preparation of the phase four portion of the
4 assessment group's report, if they would be good enough
5 to let me know, I will arrange for the those persons
6 to be produced for cross-examination. If I don't hear
7 from my friends, I of course will assume that they're
8 content on all those scores.

9 The next matter is that we
10 have prepared and filed the timetable on a daily
11 basis of the Inquiry for the three sitting weeks in
12 September and I regard it for the moment as fixed and
13 I understand from both my friends, Mr. Bayly and Mr.
14 Sigler that in the four or five days each that is
15 allocated to them, they will be in a position to --
16 within reason to run panels back to back so that no
17 time is wasted in the time frame assigned to them.

18 MR. SIGLER: We'll be able
19 to run panels back to back anyways.

20 MR. BAYLY: Mr. Commissioner,
21 it's been fixed but I think that the exception as Mr.
22 Scott will confirm that we have not yet let it be known
23 or not
24 whether/we have evidence we could call on the 9th of
25 September which was something we had not been prepared
26 to do before this timetable was prepared.

27 MR. SCOTT: Well, I know
28 Mr. Bayly's making his most determined and conscientious
29 effort to fill that little gap and I'm confident he'll
30 be able to do so. That's all I have sir at this stage.

THE COMMISSIONER: All right,

1 well, thank you again, Mr. Lowing and Mr. Runge and
2 I would just ask council to consider, when they are
3 calling evidence that if the evidence makes a point
4 already sufficiently established in the record of the
5 Inquiry, it isn't necessary to repeat it, notwithstanding
6 the urgings of ones staff and and advisors and I simply
7 ask you to discipline your witnesses. There's a natural
8 tendency for them to want to go on at length and I
9 understand that, I'm not speaking of this panel, they're
10 excepted from these animate versions, but there's a
11 tendency for them to want to go on at length, I under-
12 stand that. They feel very strongly about these things,
13 but we did, last week, have some witnesses who told
14 us things that we had heard many times before and that
15 really isn't necessary. I'm not altogether as dense
16 as I may sometimes appear to be and I -- you've all
17 co-operated magnificently and I must say I do appreciate
18 it and I may be asking more of you than I can reasonably
19 expect, but we -- we, I am anxious that we complete this
20 evidence as soon as we can because I have to write a
21 report and you people have got to prepare your final
22 submissions and we owe it to peoples of the north
23 and to the Government of Canada to complete our work
24 and you all owe it to me not to spend time thrashing
25 over material that demonstrates matters already well
26 established in the record.

27 But, I'm sure we'll all be
28 feeling fit and ready to go on whenever it is, September
29 something and we'll see you then.

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Mackenzie Valley pipeline inquiry:
August 27, 1976 Yellowknife

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MACKENZIE VALLEY PIPELINE INQUIRY

Government
Publications

IN THE MATTER OF APPLICATIONS BY EACH OF
(a) CANADIAN ARCTIC GAS PIPELINE LIMITED FOR A
RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS
CROWN LANDS WITHIN THE YUKON TERRITORY AND
THE NORTHWEST TERRITORIES; and
(b) FOOTHILLS PIPE LINES LTD. FOR A RIGHT-OF-WAY
THAT MIGHT BE GRANTED ACROSS CROWN LANDS
WITHIN THE NORTHWEST TERRITORIES
FOR THE PURPOSE OF A PROPOSED MACKENZIE VALLEY PIPELINE

and

IN THE MATTER OF THE SOCIAL, ENVIRONMENTAL AND
ECONOMIC IMPACT REGIONALLY OF THE CONSTRUCTION,
OPERATION AND SUBSEQUENT ABANDONMENT OF THE ABOVE
PROPOSED PIPELINE

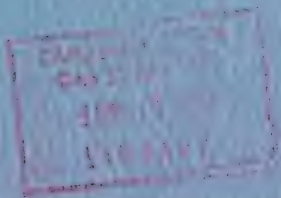
(Before the Honourable Mr. Justice Berger, Commissioner)

Yellowknife, N.W.T.

September 7, 1976.

PROCEEDINGS AT INQUIRY

Volume 180



APPEARANCES:

- Mr. Ian G. Scott, Q.C.,
Mr. Stephen T. Goudge,
Mr. Alick Ryder, and
Mr. Ian Roland, for Mackenzie Valley Pipeline Inquiry;
- Mr. Pierre Genest, Q.C.,
Mr. Jack Marshall,
Mr. Darryl Carter, and
Mr. J.T. Steeves, for Canadian Arctic Gas Pipeline Limited;
- Mr. Reginald Gibbs, Q.C.,
Mr. Alan Hollingworth, and
Mr. John W. Lutes, for Foothills Pipe Lines Ltd.;
- Mr. Russell Anthony,
Prof. Alastair Lucas and
Mr. Garth Evans, for Canadian Arctic Resources Committee;
- Mr. Glen W. Bell and
Mr. Gerry Sutton, for Northwest Territories Indian Brotherhood, and Metis Association of the Northwest Territories;
- Mr. John Bayly and
Miss Lesley Lane, for Inuit Tapirisat of Canada, and The Committee for Original Peoples Entitlement;
- Mr. Ron Veale and
Mr. Allen Lueck, for The Council for the Yukon Indians;
- Mr. Carson Templeton, for Environment Protection Board;
- Mr. David H. Searle, Q.C. for Northwest Territories Chamber of Commerce;
- Mr. Murray Sigler and
Mr. David Reesor, for The Association of Municipalities;
- Mr. John Ballem, Q.C., for Producer Companies (Imperial, Shell & Gulf);
- Mrs. Joanne MacQuarrie, for Mental Health Association of the Northwest Territories.

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and THE UNITED ASSOCIATION OF PLUMBING AND PIPEFITTING
UNION

JOSEPH WHITEFORD

IRVIN NESSEL

GORDON HODSON

ROBERT F.C. MARRIOTT

JACK DYCK

J.R. ST. ELOI 27831

DIRECT EXAMINATION BY MR. GOUDGE 27831

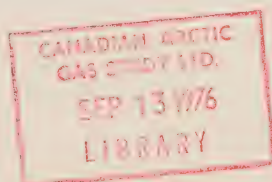
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1 Yellowknife, N.W.T.

2 September 7, 1976

3 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

4 THE COMMISSIONER: Well, we'll
5 come to order ladies and gentlemen.

6 MR. GOUDGE: Yes sir, if we
7 could begin today, we would propose to have the Pipeline
8 Advisory Council, the Canadian Pipeline Advisory
9 Council give their evidence to the Commission to begin
10 the week. These gentlemen before you are the representa-
11 tives of the Canadian Pipeline Advisory Council and
12 pursuant to your instructions we --

13 To begin again sir, we propose
14 to have the evidence commence this week with the
15 representatives of the Canadian Pipeline Advisory Council.
16 They're here before you, pursuant to your direction
17 we've arranged for their presence. They are here
18 representing the Council and they began this morning,
19 I should say for the record, with the showing of the
20 film "Portrait of a Pipeline", which is part of their
21 information package. It concerns the building of a
22 northern pipeline and I know those who saw it would
23 find it very useful. They'll be making reference to
24 it in their evidence.

25 Let me begin by introducing
26 the Executive Secretary of the Pipeline Contractors
27 Association of Canada, Mr. Gordon Hodson, who is seated
28 third from the left as we face the panel. Mr. Hodson
29 will serve as the moderator of the panel. He's the
30 Recording Secretary for this group that is for the

Whiteford, Nessel, 27831
Hodson, Marriott,
Dyck, St. Eloi
In Chief

1 Canadian Pipeline Advisory Council.

2 JOSEPH WHITEFORD, sworn;

3 IRVIN NESSEL, sworn;

4 GORDON HODSON, sworn;

5 ROBERT F.C. MARRIOTT, sworn;

6 JACK DYCK, sworn;

7 J.R. ST. ELOI, sworn;

8 DIRECT EXAMINATION BY MR. GOUDGE:

9 Q Mr. Hodson, could I
10 ask you sir, please, to identify the gentlemen who are
11 seated there with you and then I'll proceed to give
12 the Commissioner their qualifications in turn.

13 WITNESS HODSON: Yes, thank you,
14 Mr. Goudge. On my extreme left is Mr. J. Russ St. Eloi,
15 who is Vice President and Director of Canadian Affairs
16 for the United Association, sometimes referred to as
17 the Pipefitters Union. Next to Mr. St. Eloi is Mr.
18 Jack Dyck who is Business Manager of Local 92 of the
19 Labourers International Union. Mr. Dyck is here today
20 representing Mr. John Hart who is an international
21 representative of that union and a regular member of
22 this council.

23 On my immediate left is Mr.
24 Bob Marriott who is President of McDace Limited,
25 a pipeline contractor in London, Ontario and currently
26 the President of the Pipeline Contractors Association
27 of Canada.

28 On my immediate right is Irv
29 Nessel, international representative of the International
30 Union of Operating Engineer, also a regular member of

Whiteford, Nessel, 27832
Hodson, Marriott,
Dyck, St. Eloi
In Chief

1 the panel and last but not least, Mr. Joe Whiteford
2 who is Director of Construction and General Organizer
3 for the International Brotherhood of Teamsters,
4 Chauffeurs, Warehousemen and Helpers.

5 Q Now, Mr. Hodson, perhaps
6 with those qualifications and given what I've said
7 about you as well, you could begin to read your brief
8 to the Commission on behalf of the Canadian Pipeline
9 Advisory Council. I'm sorry, they need to be sworn.

10 I should say while that's
11 being done sir, that Mr. St. Eloi, who is on the panel
12 has a separate presentation on behalf of the U.A. which
13 we've distributed this morning, which I would ask him
14 to make following Mr. Hodson's reading of the submission
15 by the Canadian Pipeline Advisory Council.

16 Mr. Hodson, could you begin
17 please?

18 A Thank you. Mr. Commissioner,
19 the Canadian Pipeline Advisory Council welcomes this
20 opportunity to express its views on the socio-economic
21 impact that the construction of a pipeline or pipelines
22 within the Yukon and Northwest Territories might have
23 on the residents of these areas.

24 Our submission, in this phase
25 of the Inquiry is in support of the national interests
26 of Canadian employers and Canadian workmen with respect
27 to their involvement in any pipeline project which will
28 deliver northern natural gas to southern markets.
29 We will address ourselves to the social implications
30 related to guideline number seven of August, 1970 and

the elaboration thereon, contained in the expanded guidelines for northern pipelines of June, 1972.

The Canadian Pipeline Advisory Council was established in January, 1969 as a joint consultative committee dedicated to promoting and preserving harmonious relationships between organized labour and construction management in the pipeline sector of the construction industry in Canada. The Council is comprised of one regular and one alternate International representative from each of the four craft unions which are recognized as having jurisdiction over all work within the pipeline sector. Together with four regular and two alternate senior management representatives appointed by the Pipeline Contractor's Association of Canada.

Activities of the Council are funded by employer contributions to the Pipeline Industry Promotion Fund, which are required under the industry-wide collective agreements. The proceeds of this fund are used to further the interests of the Council and the Association in matters of industry relations, public relations, educational programmes, safety promotion, government liaison and such other industry-wide endeavours as may appear prudent to the representatives of this Council who serve as trustees.

1 Mr. Commissioner, as an
2 aside, I would like to mention that the rules of
3 procedure adopted by this Council have been submitted
4 as an exhibit. The unions which are represented on
5 this Council are those international building trades
6 unions which have established trade jurisdiction for
7 pipeline construction throughout Canada.

The international unions participating in the Council are the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America; The International Union of Operating Engineers; The Laborers International Union of North America and the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada.

16 The Pipeline Contractors
17 Association of Canada was founded in April, 1954;
18 April 20, 1954, and became incorporated by letters
19 patent on April 9, 1968 as a corporation without
20 share capital under the Canada Corporations Act.

Membership in the Association is comprised of--I should correct that, Mr. Commissioner to read 41 at this date, regular members who are contractors and 83, the brief says 81 but it is now 83 associate members who are suppliers. Each regular member appoints the Association as its agent for collective bargaining with authority to negotiate, conclude and execute collective agreements for pipeline construction in all of the provinces and territories of Canada.

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1 The Association is accredited
2 as exclusive bargaining agent for all employers of
3 employees operating within the pipeline sector of the
4 construction industry in the Province of Ontario. Mr.
5 Commissioner, within the past week we were--the
6 Association was accredited in a similar capacity
7 within the Province of New Brunswick.

8 The affairs of the Association
9 are directed by a Board of Directors composed of twelve
10 members, a Labour Committee, representative of regular
11 members in all parts of Canada is appointed annually
12 and has full authority in all Labour Relations matters
13 including the negotiation and administration of
14 Collective Bargaining Agreements.

15 The first pipeline agreements
16 for Canada were negotiated by the Association and the
17 four Pipeline Craft Unions in 1954. Prior to that time
18 hourly wage rates and conditions of employment for
19 pipeline employees in Canada were negotiated in the
20 United States and were found as addenda to the
21 National Pipeline Agreements between the International
22 unions and the American Pipeline Contractors Association.

23 The existing Collective
24 Agreements covering pipeline construction in Canada
25 contained fully negotiated wage rates and conditions
26 for all of the provinces and territories. I would like
27 to add, Mr. Commissioner, with your permission, that
28 in the spring of 1971 this Council established special
29 conditions for pipeline construction north of the
30 60th parallel by way of agreement and the purpose of

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1 this agreement, although it may have been premature,
2 was to ensure that employees had or were able to
3 obtain proper protective clothing, were provided with
4 transportation to and from the work site and were given
5 certain guaranteed minimum hours of pay.

6 The agreement also provided
7 financial incentives for employees to remain on the
8 job as opposed to any arrangement for rotation. The
9 agreement entitled "Canadian Pipeline Requirements for
10 Northern Work" became subject to renegotiation on
11 April 30th of this year but up to the present time,
12 we have not struck the Committee for that purpose. The
13 document I referred to, Mr. Commissioner, has been
14 filed as an exhibit.

15 To carry on with the text,
16 it is anticipated that a project agreement will be
17 negotiated for the construction of any large northern
18 pipeline. A further aside, Mr. Commissioner, this
19 Council also established standards for camp accommo-
20 dation on pipeline projects. This agreement which
21 is entitled, "Pipeline Camp Standards", "Canadian
22 Pipeline Camp Standards" applies to all parts of
23 Canada and this document has been filed as an exhibit.

24 Pipeline construction is a
25 relatively new sector of the construction industry.
26 It was not until the year 1947 that pipeline construction
27 came into prospect as a major force, that is a major
28 construction force in Canada. The construction of
29 pipelines is unique by comparison to other types of
30 construction, work methods, techniques, specialized

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1 equipment and employee skills are peculiar to this
2 type of construction. The pipeline construction that
3 spread is made up of several production units or
4 crews which are interdependent.

5 Welding standards to ensure
6 quality welds with structural integrity require intensive
7 training on the part of employees operating welding
8 equipment in the down-hand, stick rod, semi-automatic
9 and fully automatic welding techniques. The specialized
10 equipment utilized in pipeline construction is rarely,
11 if ever, used in other sectors of the construction
12 industry.

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Such equipment as bending machines, pipe-mandrels, pipe-layers, wheel trenchers, boring machines, back-fillers, line-travel cleaning and wrapping machines, dope pots, line-up plants, pigs and others require specially trained operators.

During the early and mid 1950's, the major pipeline construction projects in Canada were carried out by contractors of American origin. Because there were few, if any, Canadian workers with the specialized skills for this work it was necessary to import American personnel to the extent of approximately 90 percent of the skilled work force.

One of the prime objectives of the Association at time of founding in 1954 was to train Canadian personnel in the skills required to perform this complex type of construction.

During the years 1955 through 1966 the Association sponsored courses at established vocational training schools and at special school sites in pipeline welding and equipment operating. These courses were financed by voluntary contributions from members of the Association who maintained instructors on their payrolls and donated major equipment materials and supplies.

In the fall of 1967, the Association began working closely with the Department of Manpower and Immigration in the selection of trainees and the financing of special schools which continued to be operated by the Association with equipment and supplies donated by members.

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1 In the five years between
2 1967 and 1972 the Association monitored the success
3 of trainees who completed the courses at these special
4 schools. Following an assessment by the Association
5 of the success ratio of graduates from these courses,
6 Association and union representatives met with Canada
7 Manpower and developed a "Pipeline Construction Training
8 Assessment".

9 Mr. Commissioner, a copy of
10 this document has been filed as an exhibit.

11 The volume of pipeline construc-
12 tion in Canada has fallen sharply during the last three
13 years, as a consequence, many who have received this
14 specialized training have become disillusioned because
15 jobs have not materialized following training. Also,
16 the absence of employment opportunities on pipeline
17 construction in western Canada has discouraged prospective
18 applicants from applying for this training. Accordingly,
19 several courses in down-hand welding and equipment
20 operating planned for western Canada centers have had
21 to be cancelled.

22 In recent years there have
23 been established in the National Pipeline Agreements,
24 covering welders and operating engineers, training funds
25 to which all signatory employers make an hourly contribution.
26 These funds have been utilized to subsidize training
27 courses largely financed under the Canada Manpower
28 Adult Training Programme. Unfortunately, in the fall of
29 1975 this council was informed by Canada Manpower that
30 funds were no longer available under their Adult Training

1 Programme to finance courses which were planned for
2 western Canada in the early part of this year. Because
3 there was an insufficient accumulation of monies in
4 the Joint Labour Management Training Funds and I might
5 add, the other factor, a lack of applicant interest,
6 we found it necessary to abandon completely the welding
7 and equipment operating training courses which had
8 previously been conducted.

9 Courses in eastern Canada,
10 however, have been able to proceed with Canada Manpower
11 financing.

12 Shortly following the
13 announcement of the initial guidelines for construction
14 and operation of northern pipelines by the Government
15 of Canada, this council publicly endorsed the principles
16 of guideline number seven by indicating a willingness
17 to co-operate with various government agencies and
18 applicants for land use permits in the development of
19 specific training and upgrading programmes, including
20 on the job training, designed to provide residents of
21 northern Canada with the specialized skills required
22 in pipeline construction.

23 In September 1971 this council
24 met with representatives of the Northwest and Yukon
25 Territorial governments and Federal government departments
26 of Indian Affairs and Northern Development, Labour,
27 Manpower and Immigration and National Health and Welfare.
28 Subjects discussed including involvement of the
29 Pipeline Craft Unions and the Association, in determining
30 the number of employable Territorial residents available,

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1 assessing their aspirations and capabilities, organizing
2 suitable training courses and directing them into a
3 appropriate training and employment. Other matters
4 discussed were labour legislation and project Collective
5 Bargaining. The council offered to develop a Northern
6 Information Programme which would include the sponsor-
7 ship of seminars in northern communities to familiarize
8 residents with the work environment and skill requirements
9 of personnel engaged in pipeline construction.

10 On the latter subject, this
11 council sponsored a seminar at Yellowknife in November,
12 1972 involving Federal and Territorial government
13 representatives and representatives of native groups.
14 The purpose of this seminar was to enlighten administrators
15 counsellors and educators as to the skill requirements
16 of and the employment opportunities in the pipeline
17 construction industry and to prepare the way for
18 training of Canada's northern residents to ensure their
19 involvement in the construction of any northern pipeline.

20 Steps were taken toward the
21 training of northern residents with the involvement of
22 a small number of northern natives in the existing
23 industry training programmes. With the co-operation of
24 Canada Manpower, two natives, resident of the Northwest
25 Territories, I'm sorry -- residents of Northern Alberta,
26 were enrolled in a down-hand welding training course
27 and they demonstrated good potential as pipeline welders.
28 In co-operation with DIAND, two natives, resident
29 in the Northwest Territories were enrolled in the
30 side-boom operators course at Fort McMurray, one trainee

1 dropped out after a short period of time and the other
2 remained to complete the course showing good potential
3 as an equipment operator.

4 Contractor members of the
5 Association provided on-the-job training opportunities
6 for northern natives in the construction of test
7 facilities at Mountain River and during the construction
8 of the natural gas transmission line at Pointed Mountain.

9 In co-operation with Nortran
10 an organization developed by a consortium of companies
11 for the purpose of providing training and employment
12 opportunities to residents of the Northwest Territories
13 and the Yukon, this council arranged on-the-job training
14 for 12 native northerners on pipeline construction
15 projects in Alberta.

1 Three of these trainees
2 displayed such aptitude that they were transferred to
3 another construction project in Ontario by an
4 Association member contractor. There are many examples
5 where training and upgrading opportunities have been
6 given to bona fide residents, local residents and
7 particularly to natives. During construction of the
8 DFW line, the mid Canada line, the Great Bear Silver Mine,
9 the Great Slave Railway, the Alberta Resources Railway
10 and more recently the Syncrude Project; construction
11 employers and building trades unions have provided
12 training and employment to countless natives who have
13 demonstrated a reasonable capacity and a desire to work
14 in the construction industry.

15 This Council continues to
16 training monitor the needs of the pipeline construction industry
17 and to promote joint labour management training programs
18 to ensure an adequate supply of competent Canadian
19 workmen to meet the future requirements of the industry.
20 It is our desire to continue these programs, but as has
21 been mentioned before, it appears that Canada Manpower
22 is, or if I may say, maybe unable to provide the
23 necessary funding.

24 The reason, Mr. Commissioner,
25 that I added "or may be" is Manpower has agreed to
26 finance some courses in pipeline welding and side-
27 boom operating in the Province of Ontario in the early
28 spring of next year. So, there may be funds available.
29 The industries joint labour management training funds
30 will not sustain these training courses over a long

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1 period of time. Costs of employing qualified instructors,
2 of operating and maintaining heavy equipment and of
3 procuring materials and supplies continue to rise.

4 If northern natives are to
5 be given the opportunity to participate in industry
6 training programs additional financing will have
7 to be found in order that these courses may be re-
8 reinstated and augmented. At such time as the necessary
9 permits are granted to a successful applicant, we expect
10 there will be approximately one year before commencement
11 of actual pipeline construction.

12 With this much lead time,
13 specific training programs can be established in the
14 Territory to provide training for local residents to
15 prepare for employment. Such programs will require
16 the cooperation of the applicant, the contractors,
17 the pipeline craft unions and governments. A word of
18 caution must be added, however, with regard to pre-
19 employment training of residents of the Territories
20 to prepare them for employment at all levels. While
21 this is a desirable objective, it must be realized that
22 pre-employment training does not and cannot qualify
23 trainees for the most critical occupational classifi-
24 cation in pipeline construction.

25 Safety, efficiency and
26 productivity are essential and can be acquired only
27 by exposure to the work and on-the-job training. This
28 Council is anxious to cooperate with the applicants and
29 various agencies of government in providing advanced
30 information for potential workers resident in Northern

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1 Canada on the types of jobs which will be available and
2 the skills required for the various occupations in
3 pipeline construction.

4 Three meetings have been held
5 between this Council and representatives of the Northwest
6 Territorial Government and the Department of Indian
7 and Northern Affairs to consider this matter. As a
8 consequence, this Council undertook to develop a
9 northern information program which would make available
10 in northern communities written and pictorial infor-
11 mation on pipeline construction and the occupational
12 classifications and skill requirements of the industry.

13 As an initial step in
14 developing this northern information package, the
15 Council purchased a copy of a thirty minute film
16 entitled "Portrait of a Pipeline" which has been screened
17 in several northern communities. As the next step in
18 developing the proposed information package, the
19 Council investigated the cost of publishing an
20 informative brochure to contain photographs of actual
21 work situations, written definitions of skills
22 required, pre-employment training opportunities,
23 union membership requirements, et cetera.

24 Unfortunately, it has been
25 determined that the cost of producing such a publi-
26 cation in quantity will be prohibitive in terms of this
27 Council's modest budget. We have, therefore, approached
28 the Minister of Indian and Northern Affairs with a
29 request for financial assistance in producing a
30 publication which will depict pipelining in Canada and

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1 in particular, that carried out in northern areas
2 during winter months. We have received some encourage-
3 ment from the Minister regarding financial assistance
4 in publishing such a brochure.

5 I might also add at this
6 point, Mr. Commissioner, with your permission, that
7 we have filed as an exhibit a document called "A
8 Premier of Pipeline Construction", which is produced
9 by the University of Texas and we submit it simply
10 as an example of the type of informative booklet that
11 we would propose to publish.

12 This Council believes that
13 there is some urgency in developing a northern
14 information program on pipeline construction in order
15 that northern residents may be informed well in
16 advance of construction as to the jobs which will be
17 available and the requirements for education,
18 experience and special training. From this advanced
19 information, we would expect that northern residents
20 will be better able to indicate their interests in
21 employment on the pipeline.

22 There must be compiled well
23 in advance of commencement of construction, an inventory
24 of available northern residents with a genuine interest
25 in pipeline occupations, together with their education
26 and employment histories and an indication of their
27 aptitudes and aspirations. This inventory should be
28 compiled by the appropriate government agencies and the
29 native groups in the Territories and made available to
30 the applicants, contractors and unions.

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It is imperative that all parties involved be aware of the actual numbers of northern residents who are interested in training and employment in pipeline occupations.

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1 This council is confident
2 that every bona fide northern resident who is genuinely
3 interested in employment on the pipeline will be given
4 every opportunity to be gainfully employed. There have
5 been estimates of the total number of employees required
6 on a northern pipeline ranging between 4,000 and 6,000
7 persons. It has also been estimated that between 1,500
8 and 2,000 semi-skilled workers will be employed during
9 the construction period. Accordingly, it would appear
10 that there will be ample opportunity to employ all
11 interested residents of northern Canada.

12 Many employment opportunities
13 in addition to those represented by actual pipeline
14 construction will be available in the industrial sector
15 of the industry on the construction of compressor
16 stations and support facilities. Also, a variety of
17 jobs will be created in the service industries related
18 to pipeline construction and industrial construction.
19 Those northern residents who do not have the aptitude
20 or desire to be employed in pipeline construction may
21 be suited for employment in these other activities.

22 Meetings have been held with
23 representatives of Canadian Arctic Gas and Foothills
24 Pipelines to discuss the desirability of collaboration
25 in establishing employment procedures for both northern
26 and southern personnel for the pipeline construction
27 phase of the total project. We have extended an invita-
28 tion to the Committee for Original Peoples Entitlement
29 to meet with this council and other native organizations
30 in order that there may be a frank exchange of views

on the employment of natives. Hopefully such a meeting will be arranged in the near future.

We have met recently with representatives of the Department of Indian and Northern Affairs, Canada Manpower and the Northwest Territorial government to discuss a proposed Manpower Delivery System. We reiterate the views which we expressed at our meeting, that there must be a single government agency designated with which the successful applicant, the contractors, the unions and the native organizations will be able to deal in all employment matters. All other government departments and agencies must co-ordinate their activities and requirements through this single designated agency, which must be responsible for carrying out and enforcing clearly defined regulations embodying the requirements of all government departments. It will not be feasible or practical, in our view, for the participants in any employment programme to deal with a multiplicity of government agencies each with its own requirements and regulations.

We urge that any Manpower Delivery System include representatives from the owner client, the contractors, the building trades unions and the native groups. It is important that all interested parties be involved to evaluate the skills of available workers, to determine their suitability for occupations in pipeline construction, industrial construction or in the supporting service activities relating to both types of construction. It is essential that only bona fide Territorial residents be hired in

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1 the locality where the work is being performed and any
2 transient workers seeking employment at any location
3 north of the 60th parallel must be instructed to seek
4 employment through the appropriate hiring hall.

5 Everyone must recognize that
6 the need for a very strict definition of bona fide
7 Territorial resident so that the much feared migration
8 of transients into northern communities can be controlled
9 as much as possible. We are all aware of the problems
10 which can develop when such a migration occurs. It
11 can devastate a community and we do not want to see
12 this happen. For this reason, we would recommend that
13 the hiring policies eventually determined for this
14 project be strictly controlled and made public.

15 The industry can readily
16 accommodate the bona fide resident to a comprehensive
17 selection in training programmes and still maintain
18 the control necessary for construction schedules. It
19 must be clearly understood, however, that no pipeline
20 contractor could staff his project with non-skilled or
21 inexperienced personnel at the beginning of the job.

22 The regular pipeline worker,
23 because of skill and safety requirements will have to
24 be brought to the job first in order to commence
25 operations and then the inexperienced worker can be
26 assimilated into the work force without jeopardizing
27 the safety of other workers.

28 This council accepts the
29 principle of preference of employment for Territorial
30 residents from the locality where the work is being

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1 executed. However, we cannot accept the principle of
2 a quota system or priority placement being accorded to
3 northern native people. We feel that when job openings
4 occur Territorial residents whose skills have been
5 assessed as suitable for the particular job must be
6 phased into job openings over the total project along
7 with southern residents who possess similar skills. In
8 the interests of safety, productivity and efficiency,
9 Territorial residents must have -- must not have priority
10 placements at all occupational levels. They must be
11 selected for employment at occupational levels which
12 afford them the greatest opportunity for advancement,
13 based upon exposure to the work and demonstrated
14 performance.

15 Territorial residents should
16 be hired in the same manner as would any other Canadian
17 citizen where it is the practice to maximize the use
18 of local labour.

19 With respect to retention in
20 employment, this council feels that Territorial residents
21 must not receive any preferential treatment or partiality
22 in the observance of work rules or job department. They
23 must be subject to the same disciplinary measures as
24 all other employees, acts of absenteeism, tardiness,
25 malingering or insubordination, which would be proper
26 cause for dismissal must not be tolerated. To display
27 partisanship to Territorial residents in this respect
28 would be tantamount to discrimination against other
29 employees and would completely destroy employee initiative
30 and morale.

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As was stated earlier, this council expects that a project agreement will be negotiated for any pipeline project in northern Canada. Any such agreement will stipulate conditions under which Territorial residents will be admitted to union membership. At such time as the Territorial resident becomes qualified for union membership under such agreement, initiation fees and dues required to be paid uniformly by all union members may be deducted from the employees earnings and remitted to the appropriate union.

This council reiterates the willingness of the pipeline craft unions and the pipeline contractors to co-operate in accommodating Territorial residents with respect to employment in the construction of a northern pipeline and we emphasize that this submission is in support of their national interests of Canada and of all Canadians. It is our sincere belief that there is an urgent need for delivery of frontier gas to energy hungry consumers. We believe that the most viable means of delivering this energy to the markets is by transportation pipelines. In our opinions, such pipelines can be built with maximal benefit and minimal disruption to residents of the Territories. We urge Mr. Commissioner, that everything possible be done in order that the construction of a pipeline system may be commenced and completed as soon as possible. All of which is respectfully submitted.

Q Thank you Mr. Hodson.

Mr. St. Eloi, would you please

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1 continue by reading the brief of the United Association
2 of Journeymen and Apprentices of the Plumbing and
3 Pipefitting Industry of the United States and Canada
4 to the Commissioner?

5 WITNESS ST. ELOI: Mr.

6 Commissioner, it is with appreciation that our organ-
7 ization is given the opportunity to express our views
8 on the proposed pipeline socio-economic impact on the
9 northern people.

10 This submission supports the
11 application to built a Mackenzie Valley pipeline by
12 Canadian Arctic Gas Pipeline Limited for reasons
13 previously submitted to the National Energy Board.
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Mr. Commissioner, my name is J. Russ St. Eloi. I'm a member of and the Director of Canadian Affairs for the United Association of Journeymen Apprentices, the Plumbing and Pipefitting Industry of the Unites States and Canada.

I am also a member of the
Advisory Board, for the
Building and Construction Trades
in Canada. The Canadian District of the United
Association is composed of 67 local unions representing
35,831 members as of December, 1975 with an increase
in membership since that date.

The United Association is one of fifteen unions involved in the construction of transmission stations and plant facilities. On every major pipeline project plus the associated station work in Canada, you will find our member--our pipeline welders, pipefitters, process instrument mechanics and as of late, non-destructive testing technicians. We are one of four unions involved in pipeline construction and play a vital part in the installation of such work.

I have been a participant representing the United Association in the consummation of the Canadian Pipeline Agreement in the early 1950's and was one of those persons instrumental in the training of Canadians for pipeline construction following the Leduc oil strike in Alberta in 1947.

Our organization is presently in the process of conducting an accurate survey of the number of qualified pipeline welders available for work

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on the Mackenzie Valley Pipeline. The last survey we were involved in revealed there were less than 80 big inch pipeline welders in Canada who are not organized, whereas the United Association had 732 qualified pipeline welders in its membership. Organized labour maintains it will be impossible to build a pipeline non-union. It is also very realistic to assume that the line will not be built with some of each, that is union and non-union workmen; therefore the line will have to be built either completely union or completely non-union with a completely union or a non-union work force. For stability and investment protection, we forecast the project will be done union and this would include the ancillary facilities such as station work and scrubbing plants. For this reason, our following comments are based on the supposition that the project will operate under one collective agreement covering both pipeline and plant facilities binding all construction trades.

Type of agreement, that is assuming the pipeline will be built.

1. We believe that the money suppliers for such a huge development will insist on an overall package agreement in order to protect their investment and we agree in this concept.
2. We believe such an agreement must contain a no strike or lockout provision.
3. Rotation of workmen every 30 days with an incentive arrangement to encourage such employees to remain on the job for longer periods which would be similar to the

1 Employment Continuation Incentive that the four unions
2 have established with the Pipeline Contractors in
3 Canada. Special arrangements would have to be made
4 under the Rotation System for apprentices following
5 their training program to continue free of interruption.

6 4. The agreement should provide for such things as
7 safety on the job, first aid facilities and a
8 reasonable ambulance or transportation service to
9 accommodations having a qualified doctor available
10 in the event of serious injury.

11 5. The agreement must contain a union security
12 provision compatible with the participants and the
13 residents of the North.

14 6. The agreement must contain a hiring hall provision
15 adaptable to the communication problems of northern
16 communities with more flexibility in the reporting
17 time to the job for northern residents.

18 7. Employment and training preference must be given
19 northern residents with each union involved accepting
20 their appropriate ratio of the pre-determined total
21 number of available northern residents. The number of
22 available residents must be determined as early as
23 possible after the government makes its decision to
24 build the pipeline.

25 8. The definition of a northern resident must be
26 incorporated in the agreement. Our organization defines
27 a northern resident as a person who is born in the
28 northern areas where the pipeline is being built,
29 that is the Northwest Territories and the Yukon Territory,
30 or a northern family, originally from the North, whose

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sons and daughters were born in the South and have returned to their native habitat. Southerners go north because they choose to do so, whereas such a choice to the legitimate northern resident is not generally commensurate with their cultural background. We realize there are many persons who disagree with our definition of a northern resident and recognize the agreement no doubt will contain a less restrictive description and should be a subject of negotiation.

9. Under the heading of "Camps"; starting in the early 1940's using the logging industry in British Columbia as a criterion, the unions in Western Canada have established the best camp accommodations and standards in the world for construction workers. In some western provinces the employers' associations have endorsed these standards which has established a precedent for all of Canada. It should be recognized that the unions involved in the building of the pipeline are experts in relation to their knowledge of what constitutes first-class room and board. In respect of food, we feel that management will recognize that menus can be adjusted or arrangements made at no extra cost to accommodate or at least partially the appetites of northern residents, if this is an important issue. Otherwise, we feel the food, if top standard, as is the case on union projects, must be acceptable to all employees from the north or south of our country.

10. In addition to the normal collective agreement, the Mackenzie Agreement, and I'm referring to the Mackenzie Agreement, Mr. Chairman, ^{as} that agreement which applies

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1 to the Mackenzie Valley Pipeline, should contain such
2 provisions as proper banking accommodations, regular
3 postal service, fire insurance on personal belongings
4 and recreation facilities such as adequate reading
5 material, live or canned television, taped music, pool
6 tables, ping pong, shuffleboard, motion pictures and
7 space for card games et cetera.

8 11. Classroom accommodations at plant sites for
9 training purposes should be made available by the
10 contractor or client and this should be incorporated
11 in the agreement.

12 Under Training, it should be
13 pointed out that Nortran have no input by labour unions
14 and we predict that such training programs will not be
15 as successful as the participants, particularly the
16 trainees, desire.

17 In comparison to Nortran, all
18 our programs across Canada are administered jointly with
19 equal numbers of employers and union participation on
20 the committees. Our surveys indicate that training
21 programs administered separately by either group have
22 been far less successful than joint programs. I should
23 also point out that a client or owner is not an expert
24 in developing suitable training programs for con-
25 struction workers and in most cases draw tradesmen from
26 the construction industry to supplement their main-
27 tenance forces in the day to day operation of the plant.
28 Likewise the construction industry does not have the
29 expertise to develop plant operators. In effect, we
30 are saying that much of the information your Commission

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1 has received in respect to construction training may
2 lead you to make recommendations that would not benefit
3 the project if the green light is given to commence
4 construction.

5 It should also be made known
6 that the owner is very reluctant to employ either
7 journeymen, apprentices or trainees from organized
8 construction for fear that his maintenance forces will
9 be unionized through the certification process and
10 we believe the operators of the pipeline and the plant
11 owners will put potential employees through a well
12 developed screening procedure before hiring.

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We mention this because no pipeline owner company is organized to our knowledge in America and therefore this will no doubt create situations where qualified workmen who are residents of the north will not be hired because of their union membership even though they may have gone through extensive training in the north during the construction of the pipeline.

In our phase of pipeline construction our welders are generally developed from pipeline helpers who receive their knowledge of the welding process on the job only. When a helper finds he is acceptable to pipeline construction for one or two seasons and he appears to show his intent and eagerness to be a welder he is given welder practical training with a small amount of theory in the classroom.

Pipefitter and plumbing training -- this differs a great deal from pipeline construction and requires far more theory and practical experience. Classrooms can be set up on the job or on weekends in a camp where it might be said you would have a captive attendance. This of course depends on the volume of overtime being performed in the plant. If the apprentice doesn't have an adequate amount of free time to attend the classroom instruction, then, in this instance, he may have to attend school for a two month period each year of his apprenticeship. One of the fears on training an apprentice for industrial construction only, is that he would take a much longer

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time to become a fully diversified journeyman.

In other words he would not be able to install a plumbing system or a comfort heating system in a house or other more complicated building without additional practical experience. If it was desired, arrangements could be made in Edmonton, Calgary, or Vancouver with the joint training committees to have semi-skilled persons round out their trade whereas others could be absorbed through local contractors who perform domestic and commercial installations. Our training coordinator in Vancouver, Mr. Don Currie has been working closely with Mr. P. Baker, a Squamish Band member in placing native boys in our apprenticeship system. We believe this type of cooperation could easily be extended to the appropriate native member representatives from northern territories. Our organization has the most qualified instructors and the best comprehensive training literature and curriculum for the piping industry available anywhere.

More than 25% of all natural gas in Canada goes to domestic use, covering over two million homes, with the other 75% allocated to the commercial and the industrial sector. Our organization believes we need a northern pipeline to maintain the present consumption without even considering the energy required to continue expanding Canadian industry.

The membership of the United Association in Canada sincerely believe that a fair and equitable settlement of land claims should occur at

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1 the earliest possible date. It is hoped to resolve
2 this issue, would happen prior to the commencement of
3 construction. However, we feel the building of the
4 pipeline should commence as early as possible for the
5 economic benefit of the Canadian public and the
6 pipeline should not be put into operation prior to
7 native land claims being consummated. It is our
8 opinion that there is not, at the present time, even
9 proven resources to allow the Foothills group to
10 proceed with construction of a pipeline and this
11 situation could continue to exist, which leaves the
12 Arctic Gas proposal the choice most feasible. On the
13 other hand should the United States decide to construct
14 the proposed liquified gas line running parallel to
15 the oil line across Alaska, because of delays in
16 obtaining approval from the Canadian Government, we are
17 confident the objectives that the native people wish
18 to achieve through negotiation for land claims for
19 land claims will be vitally affected and their
20 bargaining position left with little or no impact.

21 Less important than land claims,
22 but very significant to the native people of the north,
23 is their involvement in union affairs. Our organization
24 believes that organized labour is the most positive and
25 effective machinery available to improve the lot of the
26 northern natives. The unions will protect the
27 northerners from injustice or discrimination during
28 construction in the same manner as they would southerners.
29 Camp accommodations and working conditions are more
30 desirable to all, in comparison to that which would be

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1 available on an organized project and we believe
2 this statement is unquestionable.

3 Should the government decide
4 to grant permission to build a northern pipeline it is
5 the intention of our organization to place a full
6 time representative in the north to handle the day to
7 day affairs of our organization and set up an office
8 containing a telex for dispatch purposes and more
9 particularly for northern residents and if possible in
10 cooperation with other unions and other interested
11 parties. It is our opinion, to supplement this facility,
12 the government should provide telex systems in northern
13 communities where it is feasible and telephone check
14 points where it is not feasible.

15 In conclusion, we are of the
16 opinion it is inevitable the needs of the Canadian
17 people will cause a northern pipeline to be built and
18 we are under no illusions that the cost of building this
19 line will shrink nor will will the number of favourable
20 advantages presently apparent to us increase; therefore,
21 there is urgency in commencing construction should the
22 government in their wisdom decide the pipeline should be
23 built in the interests of Canada.

24 In comparison to other modes of
25 transportation, pipeline construction is the safest,
26 cleanest, least wasteful and the most advantageous to our
27 people residing in Northern Canada and we urge you to
28 recommend the pipeline system be built at the earliest
29 possible date. Respectfully submitted on behalf of the
30 United Association.

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1 MR. GOUDGE: Thank you, Mr.
2 Eloi. That, sir, concludes the evidence of these
3 gentlemen. The participants will all want to question
4 them, I'm sure, including us. Mr. Hollingworth, I take
5 it, will lead off -- or Mr. Steeves -- as between
6 them, I have --

7 THE COMMISSIONER: What --
8 you don't seem to be getting through. What are
9 you telling us?

10 MR. GOUDGE: Well, I'm
11 advising -- I'm saying, sir, that if you wish to commence
12 cross-examination now rather than after lunch, I
13 suggest ~~that~~ either Mr. Steeves or Mr. Hollingworth and
14 as between them I have no recommendation to make to you,
15 proceed. It seems to me that they would go first on
16 the theory that there appears to be less adversity of
17 interest between them and these gentlemen than as
18 between other participants and these gentlemen.

19 THE COMMISSIONER: Right. Well,
20 let's leave it until after lunch. Let me ask one or
21 two questions just before we stop for lunch.

22 Mr. St. Eloi, you have been
23 good enough to deal with a number of subjects that Mr.
24 Hodson on behalf of the Council didn't cover in his
25 brief. You, on behalf of the United Association, urged
26 that employment and training preference be given
27 northern residents which essentially, to a very large
28 extent means native people -- Eskimos, Metis and
29 Indians -- and you urge that each union accept their
30 appropriate ratio of the predetermined total number of

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1 available northern residents. Your report is really a
2 minority report on that subject I gather. On the other
3 point that Mr. Hodson made, do you have any comment?

4 He said that "there should be no leniency offered
5 to native people working on the pipeline construc-
6 tion if they were absent or late or if

7 there were other failures on the job -- I think
8 he referred to insubordination and a couple of other
9 things. Do you go along with the Advisory Council on
10 that subject or do you have any comment?

11 A Well, Mr. Commissioner,
12 the -- I think we must define the two types of construc-
13 tion. The pipeline construction with very little
14 interruption and because of great cost to the contractor
15 if certain people aren't in the right place at the
16 right time, whereas plant construction, you can fit it
17 in so that it won't affect the job to the same extent
18 as it would on a pipeline. Certainly we're offering
19 more flexibility, our organization, than perhaps exists
20 in the joint submission. We think that in the hiring of
21 northern residents that we will have to extend the time
22 limits for the people to report and moreso than what's
23 contained in the standard agreement in the south and I
24 think this could very easily be done. The question of --
25 I don't pretend to be an expert in native affairs although
26 I have some native blood in me but -- which I'm proud of --
27 but I think that we can absorb all the available people
28 that are in the north that are -- that wish to work in
29 construction with very little problem and I think we
30 can work with the responsible organizations and set up

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1 in the North to accommodate this type of an arrangement.
2 I don't know whether I've answered your question or
3 not but if you want me to be more specific--

4 Q No, no, that's fine.

5 One other thing that I didn't quite get. Let me just
6 see if I understand it. Let me give you my understanding
7 of it. The operation of pipelines in Canada is
8 essentially non-union, I gather, and to a great extent
9 the operation of gas plants is. ~~The~~ representatives
10 of Gulf, Shell and Imperial who will build the gas
11 plants in the Mackenzie Delta said that they didn't
12 want the plants to be organized. That is, when they
13 were built, the construction would be on a unionized
14 basis but once they were in place, they didn't want
15 unions to represent the employees who worked there full
16 time operating the plants and they thought that would
17 be the best way, most efficient and so on and so forth.

18 Now, at page-6 you said the
19 owner, that's Arctic Gas or Foothills is very
20 reluctant to employ either journeymen, apprentices or
21 trainees from organized construction for fear that his
22 maintenance forces will be unionized through the
23 certification process and we believe the operators of
24 the pipeline and the plant owners will put potential
25 employees through a well-developed screening procedure
26 before hiring. We mention this because no pipeline
27 owner company has organized, to our knowledge, in America--
28 that's in the U. S. and Canada, is it?

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi

1 A That's correct, yes.
2 If you want me to be more specific--

3 Q And therefore, this
4 will no doubt create situations where qualified workmen,
5 who are residents of the north will not be hired because
6 of their union membership, even though they may have
7 gone through extensive training in the north during
8 the construction of pipeline.

9 Q So, you're saying that Arctic
10 Gas and Foothills, when they are determining who to
11 employ on construction will be screening people out
12 with a record as committed union people so as to avoid
13 any possibility of the operations of the pipelines
14 and the operations of the plant becoming unionized. Is
15 that what you're getting at there?

16 A That's our opinion,
17 Mr. Commissioner.

18 Q Yes, well, on the con-
19 struction of the pipeline, the people by and large
20 will be hired by the pipeline contractors, I gather,
21 not by Arctic Gas and Foothills.

22 A That's right.

23 Q So, are you suggesting
24 that that would be the attitude that the pipeline contractors
25 would adopt? You see, the pipeline contractors have
26 no continuing interest in these things. They don't care,
27 I suppose, whether the pipeline is unionized once it's
28 been built. It's only Arctic Gas and Foothills that
29 care about that, if that's their position. So, how
30 would they be able to do that? Could you comment on that?

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Dyck, St. Eloi

1 A Well, Mr. Commissioner,
2 I think when the pipeline's finished and all the
3 station work in connection with the pipeline -- just
4 prior to completion of the project the plant owner,
5 and as I say, this is just an opinion of our organization,
6 will commence to train people to operate the pipeline
7 and the plant work in connection with a pipeline and
8 through experience we have found that such owner-operators
9 are very careful in screening his work force. If
10 he hires members of our organizations, which we think
11 will -- this job will be union, we think it will have
12 to go that way, if he employs the people that we have
13 already in membership, we can certify under the Federal
14 Act governing the Territories and if we have a majority
15 of employees in membership, we can apply for certification
16 and of course from there on negotiations commence.

17 So, this is the reason that
18 we think that a very careful screening process will be
19 conducted prior to hiring any resident, whether they're
20 residents of the north or from anywhere because if we
21 have a majority of employees organized that the plant
22 owner hires, we're in a position to commence negotiations
23 with the plant owner and the pipeline owner.

24 THE COMMISSIONER: Right. Well, I think
25 we'll adjourn then, shall we until 2:00, so thanks very
26 much gentlemen and would you come back at 2:00 and
27 we'll see if we can finish by 6:00.

BURNABY 2, B.C.

1 (EVIDENCE OF UNITED ASSOCIATION OF PLUMBING AND
2 PIPEFITTING UNION MARKED EXHIBIT 732)

3 (EVIDENCE OF CANADIAN PIPELINE ADVISORY COUNCIL
4 RULES OF PROCEDURE MARKED EXHIBIT 733)

5 (EVIDENCE OF PIPELINE CONSTRUCTION TRAINING ASSESSMENT
6 MARKED EXHIBIT 734)

7 (EVIDENCE OF PIPELINE CAMP STANDARDS MARKED EXHIBIT 735)

8 (EVIDENCE OF PIPELINE REQUIREMENTS FOR NORTHERN WORK
9 MARKED EXHIBIT 736)

10 (EVIDENCE OF PREMIER OF PIPELINE CONSTRUCTION MARKED
11 EXHIBIT 737)

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13 (PROCEEDINGS ADJOURNED TO 2:00 PM)
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(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: Well ladies and gentlemen, can we come to order and proceed with any questions there may be for this panel.

MR. GOUDGE: As we begin sir, could I tender formally the exhibits that were referred to by Mr. Hodson this morning, the Advisory Council Rules of Procedure, the Pipeline Construction Training Assessment document, Canadian Pipeline Camp Standards, the Canadian Pipeline Requirements for Northern Work and the document referred to as the Premier of Pipeline Construction. Those five documents I'll leave for the secretary.

Mr. Hollingworth's advised me he has no questions of this panel.

MR. HOLLINGWORTH: Sir, I should say that that's subject to a document which was just this minute placed on my table. A letter dated December 1975 from Sam Raddi, the President of COPE to the Honourable Edward Lawson, the President of the Teamsters. I don't imagine I'll find anything in here that would lead me to cross-examination, but I would like to leave it open on that.

THE COMMISSIONER: You'll get a chance to read it this afternoon and if you have any questions the panel will still be here.

MR. HOLLINGWORTH: Surely. Other than that I have no questions.

MR. GOUDGE: I don't see Mr. Steeves sir, perhaps we can pass on to Mrs. MacQuarrie.

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Hodson, Merriott,
Dyck, St. Eloi
Cross-Exam by MacQuarrie

1 CROSS-EXAMINATION BY MRS. MacQUARRIE:

2 Q Mr. Hodson, on page
3 three, paragraph five I believe, I wondered if there
4 are shortages of skilled Canadian workers as a result
5 of there not being any pipeline construction in the last
6 few years and if, with this possible construction of
7 the Mackenzie Valley Pipeline that you would still need
8 to draw on skilled American workers?

9 WITNESS HODSON: Well, it's
10 difficult at this time, Mr. Commissioner, to say whether
11 we may have to rely on importing aliens with the necessary
12 skills but we're quite confident that given a one
13 year lead time, that we can formulate training programmes
14 to upgrade existing people within our industry or
15 within the construction industry at large and provide
16 sufficient basic training to those who may not have
17 been involved in pipeline in the past, particularly
18 the residents of the north. So, to keep the importa-
19 tion of people from the United States or any other
20 countries to a very minimum it is conceivable, with a
21 large project of this size that we would have to bring
22 in or seek permission to bring in such people as bending
23 engineers, the more highly skilled, critical occupational
24 classifications that can't be trained in a short period
25 of time.

26 I wonder if we might have
27 Mr. Nessel add to my comments on that question, Mr.
28 Commissioner?

29 WITNESS NESSEL: Well, as you
30 are aware, of course, Inter-Provincial Pipelines

1 embarked on a crash programme building a line from
2 Sarnia to Montreal, which is just in the completion
3 stages now, final clean-up being done and so on and so
4 forth. The oil is actually in the line, in a very short
5 period of time, which in mileage equates what's being
6 contemplated for the initial Canadian Arctic Gas proposal
7 anyway, as far as Canada's concerned, and it was not
8 necessary to import pipeline personnel for that project.

9 Now, those people are available
10 at this time, for the pipeline work.

11 Q On page --

12 THE COMMISSIONER: The members
13 or -- the employer members of your council built that,
14 did they?

15 WITNESS HODSON: That is
16 correct.

17 MRS. MacQUARRIE: Have these
18 training programmes that you mention here been successful
19 in producing enough workers for that -- during that
20 brief training time for work on the construction then?

21 A I think that the answer
22 to that, Mr. Commissioner, is that the training programmes
23 that we have been conducting within our industry over
24 the past several years have adequately taken care of
25 the normal rate of attrition in the industry. To train
26 a number of Canadians for a large project that will
27 require many more people than we find is the average
28 requirement for a typical construction year, I'm sure
29 we're going to have to get into crash training programmes
30 during the -- hopefully, one year lead time.

Whiteford, Nessel,
Hodson, Marriott,
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Cross-Exam by MacQuarrie

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Whiteford, Nessel,
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Cross-Exam by MacQuarrie

1 system. We feel that it would be far better in the
2 interests of both the industry and the northern
3 residents to have a cooperative spirit by the
4 contractors and the unions in giving preferential
5 consideration to those who have been trained with
6 the necessary skills or who may now possess the skills.

7 The quota system appears to
8 lead to many abuses.

9 Q How many resident
10 northerners then would be able to qualify to work
11 under the conditions that you advocate? There wouldn't
12 be very many, would there?

13 A Well, I would say, Mr.
14 Commissioner, that we cannot give you a quantitative
15 answer to that question because, as mentioned in our
16 brief, we are not aware of how many northern residents
17 are available and are interested and have true desire
18 or aspirations to become trained and employed in our
19 industry.

20 I think the best answer that
21 could be given to that question is that we expect that
22 as many as who are genuinely interested and have any
23 kind of aptitude whatsoever for the training programs
24 or even the semi-skilled or unskilled jobs on pipeline
25 work in the North could be and will be employed.

26 Q Perhaps it's very
27 elementary but as I've mentioned here before, not many
28 of the northern people even know what a union is, much
29 less how to go about qualifying for membership or being
30 in a position to afford the initiation fees and whatever

Whitelord, Nessel,
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that goes along with it. Now, I know that you mentioned a promotion package of some kind that wasn't able to be financed and produced, but what about these people? It seems to me that there just isn't any chance for them to secure employment anywhere, certainly not during the construction phase or thereafter.

A I'd like to refer this question, Mr. Commissioner, to Mr. Nessel.

THE COMMISSIONER: Yes, certainly.

WITNESS NESSEL: Mr. Commissioner, construction of pipelines or the construction of any type, we've made reference in our brief to many projects, some of which were in the North that afforded employment opportunities for local residents, including natives, and the only criterion established for their eligibility to work on the job was that they showed up and asked for a job. The details of union membership and referral under the hiring hall procedures and so on and so forth, were ironed out either by way of a project agreement vis-a-vis the DEW line, Great Bear Lake, et cetera, et cetera, or at pre-job conferences which are held for all pipeline construction work once the contractor is awarded the job.

The people that want to work find their way--you know, as soon as they hear about a job, they find their way there. They asked about work and they were accommodated and their union fees and dues and so on and so forth were also

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by MacQuarrie

1 accommodated on a payroll deduction system.

2 So, there was no pre-
3 qualification. Now, I think you have to appreciate
4 too that someone who has never welded isn't going to
5 get a job as a welder because he simply can't pass
6 the required custom or test. On all pipeline welding,
7 the owners insist on a test, not the contractor. The
8 contractor simply accommodates the test. If he can't
9 pass the test, he can't get a job as a welder.

10 In the other categories where
11 there are no test requirements, then it's only the
12 persons own capabilities that allow him to proceed.
13 For instance, if he has some experience as a dozer
14 operator, has maybe worked throughout the North as a
15 dozer operator, then there's no particular problem
16 in that fellow acquiring that same position as a dozer
17 operator on a pipeline job, but you couldn't take all
18 the whole right-of-way crew, where there might be
19 twenty-five or thirty dozers preparing right-of-way
20 and have all the people there who have never seen a
21 pipeline job because they'd be running over each other
22 and wouldn't know how to handle the material.

23 About half of the crew there
24 could be people who have not worked pipeline, but the
25 other half would have to be experienced people and
26 be directed. So, in the other skills; in the truck
27 driving, in the labouring skills, the four trades that
28 are involved, there are also many jobs available there
29 whereby the person has maybe never seen a pipeline job
30 because it's no different here than what it was across

Whiteford, Nessel,
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JAN 19 7, B.C.

1 the Prairies in 1954. They had to go out, they had
2 to apply for the work. They saw what the work was.
3 They decided to stay and they've upgraded themselves
4 to the extent that--in the film, if you watched the
5 film this morning, the one fellow with the yellow
6 shirt was Mr. Johanson of Banister Pipelines who
7 started out in 1954 as a skid hustler. He'd never
8 seen a pipeline either. He's general superintendent
9 and President of Banister Pipeline.

10 There are many such examples
11 where Canadians who obtained their skills by actual
12 on-the-job training, which is really what it's all
13 about, have advanced themselves to the extent that
14 they're now working overseas in a supervisory capacity.

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Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Elio
Cross-Exam by MacQuarrie

1 The same opportunity is
2 available for anybody in Canada if he wants to work on
3 pipeline, provided that there's work.

4 THE COMMISSIONER: Mr. Nessel,
5 the council, in its brief has said that when the pipeline
6 construction industry in this country started up in the
7 late '40's and early '50's, the skilled positions had
8 to be filled by Americans. Canadians now fill all of
9 those positions and they have been trained on the job.
10 Do I take it from the emphasis you gave those words just
11 a moment ago that you feel that the essential means, the
12 only means by which people can work on the skilled
13 positions in pipeline construction?

14 A Not only on-the-job
15 training, there can be other training facilities
16 arranged which we -- a course through the pipeline
17 welding, which I'm not an expert on, but with operator
18 training programmes whereby people with some or you
19 know, limited skills on particular types of equipment
20 were able to be trained in a very short period of time
21 to become qualified on that equipment.

22 So, there are training -- off
23 the job training facilities, training programmes, up-
24 grading programmes can work very well in conjunction
25 with on-the-job training programmes.

26 * If you take the guy into a
27 setting and, you know, we've got Fort Smith, we've got
28 the vocational training facilities at Fort McMurray
29 whereby in a period of 90 days you have an
30 equipment operator, someone who has never seen machinery

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they'll give him some pretty basic skills, enough that he can go and hire out and do some pretty rudimentary or elementary work, but that's only the start of him becoming a fully qualified proficient operator.

Q Yes, and you're saying that someone whose taken a heavy equipment operator's course at the A.V.T.C. in Fort Smith, when he comes onto a pipeline spread is not going to be given any equipment that has anything to do with the laying of pipe?

A No, you couldn't put that fellow on the sideboom.

Q No, I can't imagine that you could.

A You know, he'd be cracking some skulls in a hurry, but there's no reason why he couldn't run a toe-cap or a dozer.

Q Yes.

MRS. MacQUARRIE: One of the major positive expectations of northern people if the construction is to go ahead is that there will be a great number of jobs available for northern residents, whether they're native or otherwise. I understand that you don't intend to allow any preferential treatment and if these people don't measure up to the kinds of standards that the unions have set that it isn't likely that they would qualify for employment then, is that so?

WITNESS HODSON: In our sub-

Whiteford, Nessel, 27880
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by MacQuarrie

1 mission, Mr. Commissioner, on page eight, paragraph
2 three, it says the council accepts, and I think I should
3 emphasize the word accepts by saying endorses the
4 principle of preference of employment for Territorial
5 residents from the locality where the work is being
6 executed.

7
8 We would certainly want to
9 accommodate every available, and believe me, we feel
10 that our industry is going to require every available
11 northern resident who has a desire and an aptitude to
12 perform work on the pipeline construction phase.

13 THE COMMISSIONER: Well,
14 excuse me, Mr. Hodson. Just those two sentences there,
15 you say you accept the principle of preference of
16 employment for Territorial residents from the locality
17 where the work is being done and then you say, we
18 cannot accept a principle of a quota system or priority
19 placement being accorded to northern native people.
20 Are you -- you're accepting a system which offers
21 preference to Territorial residents but you say that
22 that should -- that all Territorial residents should
23 be able to take advantage of that and that there should
24 be no preference for northern native people, have I
25 got this right or am I -- well, Mr. Nessel, you're
26 shaking your head, do you want to explain those two
27 things?

28 WITNESS NESSEL: Well, Mr.
29 Commissioner, I helped Mr. Hodson prepare the brief and
30 I think our basic philosophy is this, in the construction

Whiteford, Nessel, 27881
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by MacQuarrie

1 industry generally, and I'm sure that our friends from
2 the building trades unions, who will be presenting
3 their brief will reiterate it, that the basic idea of
4 preferential employment, that is hiring, preferential
5 hiring for anyone who shows a desire or an aptitude
6 in the construction industry has been afforded them by
7 a way of special project agreement or through the
8 arrangements at a pre-job conference with the contractor
9 involved.

10 Local people are given
11 preference. We've had some problems in establishing
12 what a local resident is and this is why we're very,
13 very concerned about that. Now, once they're employed
14 from there on they're treated no differently than anyone
15 else and we in the unions insist on that.

16 Q Right, all right, you've
17 made that clear.

18 A Right now, I think that
19 if you take that out of context it kind of seems to be
20 an anomaly. In one hand we're saying give preference
21 to the local resident and on the other hand we're saying
22 don't set any quotas and don't give them any preferen-
23 tial treatment. The preferential treatment that we're
24 referring to there is after they're hired. They're
25 workmen and they're members of the union and entitled
26 to the same priveleges and the same disciplines as
27 anyone else, once they've been employed.

28 The other thing I think that
29 we're concerned with there, and probably the contractors
30 should answer this more than I would, but from the

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1 safety aspect, and here again from -- you know, in looking
2 after the skins of my own members, the people that
3 I represent, you couldn't see this type of a situation
4 develop where by applying the preferential treatment
5 rule that you would have a complete beginning crew of
6 unskilled people or semi-skilled people attempting to
7 start off a pipeline construction project. That just
8 wouldn't work. There would be blood and guts all over
9 the right-of-way.

10 So that, when the job is
11 crewed up, right at the beginning, there are certain
12 fundamental things that have to be done by people with
13 the knowledge and the skills. Once the thing is set
14 up, or even with the initial set-up, there are certain
15 basic jobs that don't require a great deal of skill
16 that could assimilate anybody really who wants to work.

17 From there on, it's just a
18 matter of how far does the individual want to go because
19 there's plenty of opportunity.

20 A guy with no experience or
21 skills at all could start out as a welder's helper and
22 as Mr. St. Eloi pointed out this morning, after a couple
23 of seasons, working as a welder's helper, if he shows
24 the inclination and the aptitude they provide a training
25 programme for him and in a very short period of time
26 he becomes a qualified pipeline welder. The same
27 situation holds true for operators of equipment, truck-
28 drivers I would say and so on.

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Q Let's put it this way,
Mr. Nessel, I think Mrs. MacQuarrie is right. In the
pipeline guidelines the government anticipates some
kind of preference being given to northern people.

Now, one of the jobs of this
Inquiry is to tell the government ^{if} those guidelines are
really practical and will they work or are they just
words on a piece of paper that everybody thinks are
nice but when the actual time comes to do the job,
it may turn out it can't be done that way.

So, if you have doubts about
the wisdom of those guidelines, I don't want you to
hesitate to tell me what you said about safety
deficiency especially with the meter running on
borrowings ten or twelve million, one can understand
that you don't just go into the villages here in the
North and ask people if they'd like to work on a job.
I still--I want to make sure that I haven't overlooked
something here. You reject--you say that there should
be pre-job conferences all along the route of the
pipeline so that local people in an informal way can
be offered the chance to work at jobs that they can
do. I understand that.

Now, once the job is under
way, they have to join the union and if they are guilty
of something that would result in a southerner being
fired, well they get fired too. We're with you so far.
We understand you at any rate. Then you say,

"We cannot accept the principle of a quota
system".

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1 I understand that. "Or priority placement". Now,
2 priority placement, do you mean anything in particular
3 by that?

4 WITNESS HODSON: Mr.

5 Commissioner, we would envisage that with a one year
6 lead time prior to construction that we would in
7 co-operation with the successful applicant and with
8 the Territorial and perhaps Federal Government set
9 about to put on training programs in the North for
10 northern residents to acquire the skills for the
11 pipeline occupation. Now, let's use this hypothetical
12 example of a training school that turns out ten so-
13 called qualified side boom operators. They know the
14 proper levers to pull and they know the proper pedals
15 to push. They know all of the basics of the machine
16 and it can be said that they are qualified side boom
17 operators.

18 But what we mean by--these
19 people who have been trained must be integrated into
20 the work force along with southerners who possess
21 similar skills. The difference being that ten people
22 who graduated from that side boom training course and
23 are ostensibly qualified, have had no exposure
24 to the line and haven't been placed in an actual
25 working environment. We feel that it's essential
26 that they be phased in with the people who've had
27 that exposure, who've had that training for the sake
28 of safety, efficiency and productivity.

29 To place these people, give
30 them priority of placement to us means, because they've

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1 qualified through the training schools, they must be
2 the first ten side boom operators placed on the job
3 and that is not in the interest of safety or produc-
4 tivity.

5 Q I understand. Thank you.
6 Sorry Mrs. MacQuarrie. Carry on.

7 MRS. MACQUARRIE: Just one
8 final question. Mr. St. Eloi seems to have a very
9 narrow definition of the term "northern resident" and
10 I just wondered what you had based this on.

11 WITNESS ST. ELOI: Well, we
12 have huge developments in the past. A good example
13 is the Alcan project. You have a influx of people
14 from other areas coming into the center of employment
15 and you'll have it here if the pipeline goes and this
16 is what I was referring to. I realize our position
17 is a very narrow one but that's my opinion. I drafted
18 the brief and I think that the northern resident is
19 a person who is born here and, as I've explained in
20 my brief, the southerners have a choice, they can go
21 where the work is, but the people in the North, their
22 environment and the climate that they were brought up
23 in, in my opinion, is not conducive to accepting our
24 southern way of living. I don't know whether I've
25 explained myself properly or not.

26 Certainly where you have a
27 huge--this is an enormous development. It's much
28 larger than the Alcan project, much larger than the
29 Alyeska job, and you're going to have people from all
30 over Canada, all over the world that are going to arrive

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1 in the North or invade the North, if you want to put
2 it that way. My narrow opinion of what a northern
3 resident is, I think, is a correct one. Maybe people
4 disagree with me.

5 Q I was going to say that
6 perhaps you're not aware that it's only been recently
7 that native people have been--a number of native people
8 were not born in the Territories. The mothers needed
9 to go outside in order to deliver and then brought
10 their babies home with them. So, I don't know if it
11 eliminates those.

12 THE COMMISSIONER: Mr. St.
13 Eloi covered that possibility in his definition.

14 WITNESS ST. ELOI: I believe
15 I did.

16 THE COMMISSIONER: He thought
17 of everything.

18 WITNESS NESSEL: On the
19 question of determining what a local resident is for
20 the purpose of construction jobs, that's something that's
21 been negotiated. My first experience with it, of
22 course, was on the DEW line, when they built the DEW
23 line in 1956, ^{for northern work.} Prior to that, we'd been involved in
24 Snare Rapids and so on and so forth and we didn't reach
25 any determination there because there was no access,
26 there was no way that a person could get to the job
27 really, but the DEW line was scattered all across, you
28 know, from the whole Arctic--north of the Arctic circle
29 and there were people available and it wasn't too
30

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1 difficult to determine who was a local resident there
2 because someone who wasn't, couldn't get there and
3 didn't have a place to live there when he did get
4 there. So, there was simply no transportation
5 available.

6 Now, our concerns are such--
7 I'll site you an example. When they started the
8 development up in Northern Manitoba at Thompson, which
9 is now a town, of course, but to begin with it wasn't.
10 Between Christmas and New Years and the time that the
11 project was announced, there were four hundred
12 transients that found their way into Flin Flon and the
13 town could not cope with them. There was no place
14 for them to stay. There was no place for them to eat.
15 There was no place for them to sleep. They wound up
16 running a special train in and sleeping on the train ,
17 you know, to keep the people from perishing.

18 So, that's what happens in
19 construction when somebody says there's a big job
20 going. As Mr. St. Eloi pointed out, you'll have
21 boomers from all over the world trying to find their
22 way onto that job.

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We want to try to avoid that situation as much as possible because we've seen what happens, we know what's happened in Alaska, whereby people could hop in an airplane and be into Fairbanks and they were right close to where the pipeline work started. That situation, I don't think would happen so much on the proposed route of the pipeline that we know of at the present time. There could be more of it if the Alaska Highway, the Alcan proposition, because there you've got a road all the way there and there isn't really any way that you can stop anyone from going if he can get there. You know, there's no law that says that I, as a Canadian citizen can't go from here to Newfoundland or whatever and you can't stop the people from being optimistic about trying to find work, particularly on a -- you know, "big paying construction job". But I think it can be avoided if it becomes public knowledge of what, first of all, a bona fide resident is. I think on the Alyeska situation they defined it as someone who was on the voters list for two years. We've determined under our project agreements that all the way from two years residency to being there -- you know, having^{an}/established post office or residence, six months or a year prior to the job being undertaken and so on and so forth.

But it's something that has to be accommodated, I think, in light of the situation and primarily to keep out the non -- you know, so that the fellow can't come from, for instance from Newfoundland or from Edmonton and park up here for two months and

1 then say, "Hey, I'm a local resident so I can have
2 preference". That's the thing that we're trying to
3 avoid when we say a definition of local resident.

4 MR. GOUDGE: Mr. Steeves.

5 CROSS-EXAMINATION BY MR. STEEVES:

6 Q Now, I'm sorry, I still
7 don't understand your explanation of the two sentences
8 on page eight that were put to you by the Judge. I'm
9 sorry, I think they were put to Mr. Hodson which you
10 undertook to explain and I'm thinking in particular
11 of your second sentence. However, we cannot accept
12 the principle of a quota system or priority placement
13 being accorded to northern native people.

14 Now, first of all, am I
15 taking something out of context when I put that sentence
16 to you? If I am please put it in context.

17 WITNESS HODSON: Mr. Commissioner,
18 I think that it may be that --

19 Q Well, I'm sorry, I
20 was addressing my question to Mr. Nessel first of all,
21 would you like to answer? Go ahead.

22 WITNESS NESSEL: Well sure.

23 Q Would you like to answer
24 it?

25 A Yes. Again we're saying
26 on one hand that I think you have to read the whole
27 paragraph in its entirety.

28 Q Yes, I have.

29 A Yes, if you take the
30 sentence out of context it seems to be, as I said, an

1 anomaly. The preferential hiring for Territorial
2 residents is accepted, as a fact. We accept that and
3 we'll accommodate that situation, either through -- by
4 way of a project agreement, or again, as I said, through
5 pre-job conferences which are arranged.

6 Q Well --

7 A The other thing, of
8 course, is that we don't accept the quota system because
9 we've seen this in northern Saskatchewan, was my first
10 experience with it, where they had a quota system of
11 six percent of native people had to be on the payroll.

12 THE CHAIRMAN: What sort of
13 a job was it, pipeline?

14 A No this was a construction
15 project.

16 Q What was the project?

17 A The project was a pulp
18 mill and they were building a pulp mill and the
19 Department of Northern Saskatchewan, I think that was
20 the name, they had a Department of Northern Saskatchewan,
21 insisted to the owner, who was a pulp company, and to
22 his subsequent contractors, I believe it was Parson's
23 Wittermore at the time, that they employ six percent
24 native people.

25 So, it looked great on paper,
26 you know, because they assumed that that was about the
27 total number of work force available in the area that
28 could be assimilated. Well, it created problems in
29 respect that there were people on the payroll who
30 couldn't really perform any of the initial functions in

1 getting the job going. There was equipment that had
2 to be operated and of course they didn't have the
3 skills and couldn't obtain the skills that quickly.
4 There was underground piping that had to be laid and
5 so on, so they put them on the payroll and kept them
6 there doing nothing.

7 Well, eventually, of course,
8 they all became employed, but then also eventually
9 some of them decided to go home for various reasons,
10 just the same as any other construction worker decides
11 to go home, they didn't quit, they weren't dismissed
12 and they weren't terminated, so their name was just
13 kept on the payroll and it got to be just a -- you know,
14 pie-in-the-sky figure, oh well, sure, the Saskatchewan
15 inspector who was responsible ^{would} come by and say let's
16 have a look at your payroll, oh yes, there were the
17 natives but they weren't there working. They had gone
18 home and decided not to come back but nobody ever
19 terminated them.

20 So, that's one of the problems
21 that we see with the quota system. You know, and this
22 is what we understand is happening on the TAP situation
23 in Trans-Alaska Pipeline, where they do have the quota
24 system and one of the contractor representatives made
25 this known to us not too many months ago that they
26 just simply had a lot of people on the payroll that
27 were not performing anything productive, there was
28 nothing that they could use in that, they had no desire
29 to do anything else because by virtue of the quota
30 system they were ensured a job and consequently, there

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1 they sat and did nothing and it just sky-rocketed their
2 labour costs something fantastic.

3 So, that's one reason why I
4 think we're opposed to the quota system.

5 Q I'm sorry, I don't mean
6 to be facetious in this.

7 A No.

8 Q You represent the
9 operating engineers.

10 A That's right.

11 Q When you're speaking
12 to the quota system, you're speaking to the question
13 of cost to the owner and contractor, are you? I can't
14 see how this creates any problem for the operating
15 engineers.

16 A Well, because we have
17 to sit down and negotiate.

18 Q How does the quota
19 system cause problems to the operating engineer?

20 A Well because here again
21 we're in the situation whereby we have to negotiate
22 our wages and conditions out of these contractors, you
23 know, as we have been for the last 20 years, 25 years,
24 and we run into a situation whereby the labour cost
25 to that contractor are more than what he can stand, it
26 comes out of our next package.

27 Q Is this why you're --

28 A And the other thing too,
29 of course, as Joe just pointed out, we have to take the
30 guy into the union member and he doesn't want to work

1 or he can't work and then the job comes to an end and
2 we've got him as a member, where do we put him?

3 Q I'm sorry, are you
4 speaking about all the native people in the north?

5 A NO, no, no.

6 Q Just a minute, let me
7 finish. Are you speaking about all the native people
8 in the north who would come forward under a quota
9 system and say I want to work on this pipeline? I
10 don't understand you.

11 A Well, I don't know what
12 you're talking about with quota's, when you're talking
13 about quotas.

14 Q Well, I didn't use the
15 word, you did in the brief. Can you explain what you
16 mean in the brief to begin with?

17 Let's begin at the beginning.
18 Do I understand that you helped draft this brief?

19 A Yes.

20 Q Did you help put in the
21 words "quota system"?

22 A We talked about quota
23 systems in relation to the Alyeska situation.

24 Q Do you understand what
25 was meant in this brief that you helped publish or
26 author by the words "quota system"?

27 A Yes.

28 Q What was meant by the
29 words "quota system"?

30 A We were objecting to

1 somebody coming along and saying you must employ 20
2 percent or 30 percent or 50 percent local residents or
3 100 percent local residents if they're available.
4 We wanted to stay away from the quotas because here
5 again, with the Saskatchewan situation they came to the
6 six percent and at the beginning there were far more
7 people available than that, on the six percent and yet,
8 you know, the contractors and the unions weren't all
9 cosy, cosy at that time either on the Saskatchewan
10 job, because we were having problems with that contractor
11 and we were insisting that he used more native people
12 to begin with. No, no, he said, I've got my six percent.

13 So, we had troubles.

14 Q I'd like you to understand,
15 so I understand your remark you said, and besides, the
16 second reason is they don't want to work anyhow. Who
17 is they?

18 A No, these were people
19 who were --

20 Q Who is they?

21 A -- on the Alaska situation.

22 Q Who's they?

23 A They, in the Alaska
24 situation or many of the local residents.

25 Q Who is they, in your
26 answer, besides they don't want to work anyhow?

27 A I'm telling you what
28 is a fact sir.

29 Q I'm trying to understand
30 what you're saying.

1 A On the Alyeska situation --

2 Q Nevermind the facts,
3 I'm trying to understand what you're saying.

4 A Well, if you don't want
5 to take the facts, then I don't believe I have any
6 answer.

7 THE COMMISSIONER: Well, Mr. --

8 MR. STEEVES: Well, you made
9 a statement --

10 THE COMMISSIONER: Excuse me,
11 excuse me, Mr. Steeves.

12 Mr. Nessel, you said that
13 in applying that answer to the Alyeska situation, you
14 said there were some people who fell within the quota
15 who, because they were assured of a job weren't particularly
16 motivated. I gather that was the sense of
17 it.

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1 A That's
2 information we received from one of the people that
3 is involved in the construction.

4 Q Could I
5 just stop you both for a minute. Mr. St. Eloi I
6 thought put this very well. I mean if you are arguing
7 about a quota, Mr. St. Eloi said this is how it would
8 work; you add up the number of northern residents
9 available to work on the pipeline, let's say it's
10 a couple of thousand, and then each union accepts
11 their appropriate ratio of the total number of northern
12 residents and that's the quota for each union in the
13 particular skills they represent.

14 They have these quota
15 agreements all through the North, the Yukon, the North-
16 west Territories, North Saskatchewan, Northern Alberta
17 and people have come and talked about them and I've
18 been to thirty-five communities and heard natives
19 talk about them and there isn't one of them that appears
20 to have turned out particularly well for any number
21 of reasons. But in any event, that's what Mr. St. Floi
22 says a quota would be applied to this project.

23 Let me just pursue that for
24 a moment, before we turn you over to Mr. Steeves again.

25 MR. STEEVES: Will there be
26 anything left sir?

27 THE COMMISSIONER: Let's hope
28 not.

29 MR. STEEVES: I think I'll go
30 out for coffee.

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Q The unions
on the Alyeska job supply the manpower through the
hiring halls, don't they? For instance, the operating
engineers, just so there's no confusion in our minds
about this; if you want to run a piece of heavy
equipment, whether you're qualified or you're not
qualified but you think you're qualified, you go to
the hiring hall where the operating engineers are and
Fairbanks and if you're a northern resident, you get
a job there.

Then you supply the company's
requirements for manpower. Isn't that the role of the
unions on Alyeska?

A Absolutely.

Q And that's
the way you envisage the role of the unions would be
on this job?

A Yes, along
with helping with the pre-employment training program.

THE COMMISSIONER: Yes, sorry.
Go ahead, Mr. Steeves.

MR. STEEVES: Now, I'd like
to turn to the words "priority placement". Placement
to me means saying here's a job, go to it, and priority
means to me saying to one person, you have greater
priority in that placement than another person.

Now, I understand from this
brief that you are opposed and would you look at the--
are you familiar with this part of the paragraph?

A Yes.

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1 Q "We cannot accept the
2 principle of priority placement being accorded to
3 northern native people". Do I understand placement
4 correctly and priority placement? Would any of you
5 gentlemen care to answer that?

6 A I thought that Mr.
7 Hodson had adequately answered it but maybe I'll try
8 again.

9 Q We'll leave that up to
10 the Judge.

11 A All right. No, I'm
12 trying to answer you.

13 THE COMMISSIONER: Well, try it again then.

14 A The priority placement
15 of people with some basic skills and no practical
16 experience would result in chaos. That's what we mean
17 by not accepting the principle of priority placement.

18 MR STEEVES: I'm sorry. That, to me,
19 is meaningless. Would you go on please?

20 A How could we best phrase
21 it?

22 MR. STEEVES: Would you have
23 a try, Mr. Hodson?

24 WITNESS HODSON: Yes, Mr.
25 Commissioner, I'll try to answer Mr. Steeves in this
26 respect; that if we were to be--a contractor were
27 looking for ten side boom operators since we seem to be
28 talking about equipment operators.

29 Q I'm not talking about
30 equipment operators. No, I'm talking about employment

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1 generally.

2 THE COMMISSIONER: Let us take
3 that example and you carry on then.

4 A I'll pursue the
5 example of the equipment operator and he has a
6 requisition for ten side boom operators. There's a
7 great deal of difference between side boom operators
8 as to the critical nature of the work that they
9 perform.

10 Now, a northern resident who
11 may have been trained in all the necessary skills and
12 appears to be quite qualified as a side boom operator
13 when he comes out of an industry course, may be
14 properly placed in a position of cradling rock drills
15 because it is one of the occupations on a pipeline
16 where it is not nearly as critical as a man who is
17 carrying pipe with all sorts of other workers around
18 subject to injury if he does not perform skillfully
19 and what we're really getting at, Mr. Steeves, is that
20 we want to give preference of employment to northern
21 natives who have the necessary skills but we can't
22 visualize taking ten northern natives who are trained
23 as side boom operators and putting them into the first
24 ten side boom operator jobs that are available because
25 of the safety on the job, the fact that they should
26 be phased into the work along with others who have
27 had several years of exposure and have graduated up
28 from the non-critical side boom jobs to those that are
29 more critical; critical in terms of safety to others
30 and their equipment and productivity.

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1 MR. STEEVES: Are there any
2 jobs on the typical pipeline spread where this degree
3 of experience you're talking about is not critical
4 to safety?

5 WITNESS NESSEL: Yes, within
6 my own trade obviously --

7 Q You're talking about the
8 operating engineers?

9 A Yes, the operating
10 engineers.

11 Q Let's forget about side
12 boom operators.

13 A All right, let's talk
14 about clams and ditching machines and backhoes

15 Q I promise you I won't
16 interrupt you if you don't interrupt me.

17 A I'm sorry.

18 Q Let's forget about side
19 boom operators and talk about the other trades within
20 your jurisdiction.

21 A I mentioned the situation
22 about dozer operators. I think that that's clear
23 enough. A man who is a qualified bulldozer operator
24 and can handle material, can handle material on a road
25 job or a pipeline job and it doesn't make any
26 difference.

27 Q What's going to happen
28 if you have a dozer operator in Edmonton, in your
29 Edmonton local who's out of work, and you have a man
30 come into you at Yellowknife and say I'd like a job as

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1 a dozer operator and the qualifications are equal.

2 Let's start there.

3 A Well, what's happened
4 in the past is that the guy from Yellowknife got the
5 job.

6 Q Okay. Will that happen
7 in the future?

8 A Certainly, by preferential
9 employment. That's what we mean. Yes.

10 Q Now, what happens if the
11 man from the Territories comes into Yellowknife, has
12 training, but limited or no experience and the man who's
13 out of work in your hiring hall in Edmonton has both
14 training and substantial experience, who will be hired?
15 Who will be dispatched?

16 A I have to qualify the
17 answer in this respect; depending on the nature of the
18 work--we're talking dozer operators again?

19 Q We're talking about any
20 trade within your jurisdiction where the safety factor
21 is not a critical one.

22 A If the safety factor and
23 the necessary experience is not critical, again the
24 preference would go to the local resident.

25 Q Let's talk about some
26 unskilled situations. A guy who has never seen a job,
27 never seen a pipeline job and he's never seen a piece
28 of equipment; now under the terms of the Collective
29 Agreement and for practical purposes for training and
30 for efficiency and for productivity, each backhoe, each

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1 clam, each dragline, the swing rigs, what we call them
2 in the trade, has an operator and an oiler and the oiler
3 is there to assist the operator, to service the machinery
4 and in effect the premise of how to learn how to the run
5 the machine. That's how I learned. You start out in
6 the trade as a oiler and he doesn't need any previous
7 experience to be an oiler.

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1 Now, using your point again
2 on the basis that we have a qualified oiler, he's oiled
3 before, he's got experience and we have people who are
4 bona fide northern residents who want to go oiling,
5 the preference goes to the northern resident.

6 Q Okay. Let me put that in
7 a slightly different context to make my point. The
8 oiler in Edmonton has two years experience. The man
9 at Yellowknife has no experience at all on the machine.
10 Who gets the job?

11 A The man from Yellowknife.

12 Q Okay.

13 A Because here again that
14 would be on a backhoe. On a ditching machine, it
15 couldn't work that way because the oiler on a ditching
16 machine does have to have some experience, some
17 practical experience, because he also sets the grade
18 and carries the ditch line.

19 Q Well, how long does it
20 take to train the oiler on a ditching machine to do
21 his job in assisting the operator?

22 A By practical experience,
23 they've mostly started out maybe and had one job under
24 their belt, depending on how long they last. Maybe
25 two or three months. Maybe three or four months. Maybe
26 a month. Depending on how long the contract lasts.
27 They would maybe work as an oiler on a backhoe or a
28 clam. Once they've got that experience under their
29 belt, then they know what's involved in carrying the
30 grade and so on and so forth, then they would go oiling

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1 on a ditching machine. Not a great deal of experience.
2 It doesn't require a great deal of experience.

3 Now, you're putting me in kind
4 of a untenable position because I have to argue with
5 these contractors that these are pretty highly skilled
6 people when it comes to negotiating time. I'm just
7 joking, of course. / They can be assimilated.
8 We've done it on most of the major
9 projects. They have been given the preference. That's
10 the bona fide local resident. You know, he can be
11 assimilated into the work force pretty good.

12 Q This idea of giving local
13 people--the people on the Prairies, the people north
14 of 60 is nothing new to your union?

15 A Not at all sir.

16 Q Could you tell me how
17 it works please?

18 A Yes. I'll give you the
19 best example that I can give you right now, is the
20 Syncrude project, which is a pretty massive job. It's
21 been determined in negotiations with the prime contractors
22 and the unions and governments agencies involved, Hire
23 North and Indian Affairs and the Metis Association and
24 so on and so forth, but for the purpose of that project,
25 I might have to stand to be corrected on the mileage,
26 but for the purpose of that project, a bona fide local
27 resident is one who has lived within 60 miles of the
28 project for six months--prior to six months of the
29 job starting.

30 All right. Anybody who was
in that particular area and that took in Lac La Biche and

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1 that took in Fort MacKay---no, I think it excluded Lac
2 La Biche but it took in Fort MacKay and Fort McMurray;
3 those people in that area that had any aspirations at
4 all as far as wanting to get into the operating trade
5 to the extent that there were non-skilled jobs
6 available to them, were given preference of employment,
7 ahead of a guy out of Edmonton or Calgary or Winnipeg.

8 Q Okay. Now, let's go up
9 the next level and let's go to semi-skilled jobs. What
10 happened there?

11 A In the semi-skilled jobs,
12 here again we relate the situation of someone coming
13 out of the vocational training center at Fort McMurray,
14 again a local resident, had ninety days on a backhoe
15 or maybe on a bulldozer or an earth moving course and
16 he can run a loader and he can run a grader and he can
17 run a bulldozer a little bit, enough that he knows the
18 controls and he knows what to do, those type of people
19 were put on to smaller types of equipment, small
20 dozers or under a very closely supervised situation,
21 you know, where the foreman could show him exactly what
22 was required; that would be the smaller equipment
23 situation.

24 Then from there, because of
25 the natural turnover of the job, they just progress from
26 there onto the bigger equipment as they got a little
27 more experienced.

28 Q Have you read the expanded
29 guidelines for Northern Pipelines?

30 A Just cursory.

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1 Q What do you mean by that?

2 A Well, just to the extent
3 that I know that the expanded guidelines indicated that
4 there had to be pre-employment training and so on and
5 so forth in all categories. You know, that's the extent
6 that I'd be involved in it.

7 Q Okay. Well, are you able
8 to tell me whether or not your International --I'm
9 sorry, are you the International rep?

10 A Yes, sir.

11 Q Your International
12 in Canada supports both the letter and the spirit of
13 the expanded guidelines?

14 A To the extent of giving
15 preferential employment to bona fide northern residents, Yes.

16 Q Have you incidentally
17 read the labour convention that's mentioned in the
18 guidelines?

19 A I think you'd have to
20 refresh my memory.

21 Q I'll have to refresh my
22 own first. Can I refresh your memory, if I can, and
23 I direct the attention of all of your gentlemen who
24 are here from labour organizations. I wonder if you'd
25 listen to this, because I'm going to ask each of you
26 about it.

27 This is guideline number two
28 in the social guidelines.

29 "Priority placement in jobs shall be accorded native
30 people of the territories in keeping with the tenor

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1 of Article 5 of the International Labour Organi-
2 zation Convention 111, 1958, ratified by Canada and the
3 government's intent to increase employment
4 opportunities for members of disadvantaged
5 minority groups".

6 THE COMMISSIONER: What was the
7 first sentence of that first line?

8 MR. STEEVES: Sorry.

9 "Priority placement in jobs shall be accorded
10 native people of the Territories in keeping with
11 the tenor of Article 5 of the International
12 Labour Organization Convention 111, 1958, ratified
13 by Canada and the government's intent to increase
14 employment opportunities for members for dis-
15 advantaged minority groups".

16 Are you familiar with that
17 convention, sir?

18 A No, I'm afraid I'm not.

19 MR. STEEVES: All right. Mr.
20 Whiteford?

21 WITNESS WHITEFORD: No, sir.

22 MR. STEEVES: Mr. St. Eloi?

23 WITNESS ST. ELOI: I've never
24 read the guidelines. You get so much red tape from
25 the government that it drives you hairy.

26 Q Did you ever
27 read the material that Arctic Gas sent out to you on
28 its employment policies?

29 A Intermittently, yes.

30 Q I don't care whether you

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1 read it intermittently or continuous. Did you read it?

2 A I know what their policy
3 is.

4 Q Did you read the material?

5 A Part of it. I don't
6 know which part of it.

7 Q Did you read that part
8 of the material sent out by Arctic Gas being a statement
9 of their evidence of their intentions subject to the
10 co-operation of the unions to comply with the
11 International Labour Convention I've just mentioned?

12 A No, I haven't read that.
13 I know what their employment policy is.

14 WITNESS HODSON: Mr.

15 Commissioner, I'd like a point of clarification. Does
16 Mr. Steeves refer to a transcript of the proceedings
17 of this Inquiry that was sent out to us by Arctic Gas?

18 MR. STEEVES: No, I refer to
19 a statement of the evidence. You didn't get a trans-
20 cript, did you?

21 A No, we didn't get a
22 statement of the evidence, that I know of.

23 Q I'm sorry. I think with
24 respect, I hesitate to argue with the Council, but I
25 think you did.

26 THE COMMISSIONER: Well, in
27 any event, let's not trouble ourselves.

28 WITNESS NESSEL: It's semantics,
29 I think, Mr. Commissioner, and I would just say this
30 unequivocally as far as my own trade is concerned, that

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1 we've had no problem in accommodating and giving
2 preferential treatment to local residents in the area
3 where the job was, regardless of their ethnic origin.

4 MR. STEEVES: And that local
5 resident, as I understand your evidence, on an
6 unskilled level?

7 A Local residence in
8 relation to where the project is. We had the same
9 situation develop at the St. Mary's Dam in Southern
10 Alberta whereby we had an Indian reserve very close
11 to the job and those people were getting preference
12 of employment.

13 Q I'm sorry. Is that on
14 an unskilled level?

15 A On an unskilled and
16 skilled level. Whatever they were capable of doing,
17 we accommodated them, as far as union membership was
18 concerned. Now, we didn't always satisfy that contractor
19 representative and some of them didn't last very long
20 on the job but they came back and they made it if they
21 wanted it.

22 THE COMMISSIONER:

23 Q Excuse me. You said you
24 accommodated them as far as union membership was
25 concerned. You admitted them to the union and you
26 arranged that they could pay their admission fee by
payroll deduction?

27 A That's correct, sir.

28 Q Then you went on to say
29 that performance in the job was a matter for the
30 contractor to determine?

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1 A To the extent of the,
2 you know, where the Collective Agreement--

3 THE COMMISSIONER: Yes, right.

4 MR. STEEVES: Can
5 I speak again to you sir. One of the problems that
6 my client, Arctic Gas, sees in all of this is this
7 situation. Mr. Whiteford, you, Mr. St. Eloï, may have--
8 and I'm sorry, not to forget the labourers, may have
9 a substantial number of people unemployed at the time
10 hiring starts on the project. You obviously can't
11 have men working on this job, it seems obvious, unless
12 they become members of the union. It seems difficult
13 to operate a job, part organized, part unorganized,
14 part members of the unions, part of the labour force
15 not members of the unions

16 A Well, maybe I should
17 explain that for you, how we handle that situation.

18 Q Would you? That would
19 be useful.

20 A Each local union, you
21 know, or each international union has its entrance
22 requirements by way of skill or whatever it may be,
23 some don't have. Our situation is--we accommodate
24 the situation this way in the operating engineers;
25 the contractor under the Collective Agreement must
26 place his order for men and then again, subject to
27 whoever might be available locally and particularly
28 the bona fide local residents in the isolated areas,
29 they come to us and we have the pre-job conference
30 and we say okay, there are thirty people in the area
that we would like to employ and it looks like they

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1 could be employed. Okay, what category are they going
2 to fit into, and this is where we get back to what
3 Mr. St. Eloi said. Well, there's three that could
4 probably weld or be spacers. There are six equipment
5 operators. There are four truck drivers and the rest
6 probably could be labourers.

7 Now, in the case of the
8 equipment operators, they would go on the payroll and
9 as long as they performed, there would be no problem.
10 As far as their union requirements are concerned, they
11 would pay the same union dues as anybody else for a
12 three month period, after which they would be entitled
13 to make application for and pay their full initiation
14 fee on the payroll deduction system.

15 But to all intents and purposes,
16 the Collective Agreement covers everybody on the job,
17 working under our jurisdiction, whether he has full
18 membership or whether he doesn't. The minute that he's
19 cleared by that local union, he comes under the terms
20 of the Collective Agreement for wages, fringes,
21 conditions, grievance procedure, the whole bit.

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1 Q If the preferential
2 requirements in the expanded guidelines makes sense
3 to you, an International rep, if you're required
4 to take a lot of new people into the union at a time
5 when you may have a lot of members in the south out
6 of work.

7 A We've done on it on every
8 big job so far in northern Canada. It's a fact of life
9 that our membership just has to accept, because ^{at} one time
10 they were the local resident and they had to be given
11 the preference, despite the fact that there was somebody
12 in the hall out of work.

13 Q Well, first in, first
14 out doesn't mean that anymore?

15 A It does, unless you get
16 involved in this type of a situation.

17 Q Okay.

18 A You know, we know what
19 the requirements are of the guidelines and we intend to
20 follow them and we intend to accommodate them because
21 we've done this without any guidelines on major projects
22 throughout northern Canada so far and I think that I
23 can speak for all the building trades on that because
24 I was President of the Building Trades Council for
25 11 years.

26 THE COMMISSIONER: Whereabouts?

27 A The DEW line was the
28 first real big job, but prior to that we had Uranium
29 City, the development of the Gunner property there.
30 The DEW line, the mid Canada line, the Great Slave Rail-

EXHIBIT 111
B-1, B-2, B-3

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1 road, to the extent that union contractors were involved.
2 We couldn't -- we had no control over the situation
3 if they were non-union contractors. Where the union
4 contractors were involved, the Great Bear Silver Develop-
5 ment, I forget who the company was but they had a work
6 force up there of something like two or three hundred
7 and the local people were accommodated. Fort McMurray,
8 both on the Great Canadian Oil Sands project and on the
9 present Syncrude project.

10 Q Mr. Nessel, just before
11 we leave this guideline Mr. Steeves cited, it may be
12 that it is only fair to ask you and your colleagues to
13 comment on that again if you wish, because -- you see,
14 the federal government, in developing these guidelines,
15 it wanted to do the right thing, so they looked at the
16 resolutions passed to Geneva and of course, I have no
17 doubt delegates from your own unions were at those
18 meetings in Geneva, as part of the Canadian delegation
19 and no doubt supported that resolution that was passed
20 at Geneva and the Government of Canada, seeking to do
21 the right thing has incorporated that resolution and said,
22 well, that's our policy on northern pipelines.

23 Now, the words of that
24 guideline, taken from the resolution passed at Geneva
25 said, priority placement to native people. You, I'm
26 sure, heard those very words used -- those same words
27 appear in your brief and you say no priority placement
28 to native people.

29 Now, Mr. Hodson, you've explained
30 what you mean by priority placement, I hope you're still

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1 with me.

2 A Yes.

3 Q But it musy have struck
4 you that those very words, "priority placement", that
5 you chose and included in your brief and explained to
6 me what they mean, and you said, we're against that,
7 those very word, "priority placement" appear in the
8 guideline, based on the resolutions of the I.L.O. and
9 say directly the opposite of what you say.

10 Just -- you might pass that
11 up if you've got a copy, because you might want to
12 just tell me what you think the federal government
13 meant.

14 WITNESS HODSON: Mr.

15 Commissioner, I like my colleagues am not familiar
16 with the tenor or Arcticle five of the International
17 Labour Organization, 19 -- 111 of 1958. However, in
18 reading guideline number two, expanded guideline number
19 two, it goes on to say, during the consultation between
20 government, unions and employers, as outlined to the
21 convention, ways and means will be found to ensure
22 access for those employees, forthese employees, forgive
23 me, into the appropriate union locals and hiring
24 halls where there is a requirement.

25 Q So you say it conforms
26 with your notion of --

27 A Yes.

28 Q -- of employment prefer-
29 ence as you outlined it to me.

30 A Yes.

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1 Q Right, I see now.

2 A I think the confusion
3 arises out of the use of the word priority in our
4 brief, as it may relate to the I.L.O. convention
5 resolutions.

6 Q Yes. Well, priority
7 placement is an expression you used and they used.
8 You're against it, they're for it, but you've now --
9 if
10 you're saying that/that is read carefully, it really
11 it really amounts to the same thing as pre-job conferences
12 leading to employment preference for local persons.

13 A Yes.

14 Q Well, as long as I
15 understand that. If any of you other gentlemen want
16 to take a crack at any of these things don't hesitate
17 to butt in, you're all men of great experience and
18 we've got to tell the federal government, look, this
19 guideline makes sense or this guideline doesn't make
20 sense, it'll work, it won't work and a good deal
21 depends on what your own experience has taught you
22 and what you believe is a practical thing on the job,
23 so don't hesitate, this isn't Holy Writ, these things,
24 even if people from your unions did go to Geneva on
25 these.

26 A Mr. Commissioner, I
27 note one further sentence in the expanded guideline
28 number two, which I think may be worth reading out,
29 the applicant shall comply with the above convention
30 and employment principles and co-operate with government's
effort to operate an effective recruitment, placement

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1 and counselling service and that is what this Council
2 has told this Commission, sir, that we, along with the
3 applicant are most anxious to co-operate to collaborate
4 and to develop some system. At this moment we simply
5 caution the Commission and the applicants that it would
6 be folly to give priority placement to northern
7 residents who may possess the necessary skills but
8 not the necessary exposure to the industry to conduct
9 themselves in a safe, efficient manner.

10 THE COMMISSIONER: Right,
11 well, let's stop for a cup of coffee and then we'll
12 start again and Mr. Steeves can complete his questioning
13 and then we'll turn you over to Mr. Bayly, who provides
14 a change of pace, sometimes welcomed, sometimes not.

15 (PROCEEDINGS ADJOURNED FOR A FEW MINUTES)
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(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. GOUDGE: I think we're prepared to resume sir.

MR. STEEVES: I think Mr. Whiteford may be out in the lobby, sir.

THE COMMISSIONER: Pardon?

MR. STEEVES: Mr. Whiteford may be in the lobby, is he coming back?

MR. GOUDGE: Mr. Whiteford asked if he might be excused for a few moments, he has to check out of his room.

THE COMMISSIONER: Any further questions, Mr. Steeves?

MR. STEEVES: No sir.

MR. GOUDGE: Was that a no, sir?

THE COMMISSIONER: That was a no sir, right. Yes sir, that was a no sir.

MR. STEEVES: Mr. Reesor has indicated he has no questions. Mr. Bayly?

MR. BAYLY: Mr. Commissioner, before I begin to ask questions I have a number of items that have been given to the various participants today and copies have been filed as well with Mr. Waddell.

Just for the record, these include a report called, "Resident's Perceptions of the Health Delivery Systems in Six Settlements in the Inuvik Region, Northwest Territories" by George Wenzel.

THE COMMISSIONER: Sorry, what was the author's name?

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MR. BAYLY: Wenzel, W-E-N-Z-E-L.

A draft of requested submission by the Berger Commission
by Dr. Schaeffer, who will be appearing next week as
a witness for COPE.

THE COMMISSIONER: Is that
Dr. Schaeffer of Edmonton?

MR. BAYLY: Yes. A bibliography
prepared by Dr. Hildes, which is to be attached to his
evidence and this afternoon, the final version of the
evidence of Dr. Atcheson/^{who}will also be appearing next
week. Oh, I'm sorry, and also evidence of Louise Clarke,
who will be giving her presentation to the Inquiry this
Friday, provided we're on schedule.

CROSS-EXAMINATION BY BAYLY:

Q Now, if I could follow
up the area that Mr. Steeves was dealing with, with
regard to priority placement. If I understand what
you have said, it is that provided people have the
necessary qualifications, and fit whatever the definition
may be of northerner that is accepted by everybody
in the final result, they will be given jobs in
preference to people from outside the working area,
is that correct, Mr. Hobson?

WITNESS HOBSON: Right.

Q And the fact that
somebody else may have more seniority as a union member
will take second priority to his being qualified and
a northerner by reason of the definition that's
accepted, is that correct.

A That is correct.

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1 Q And does everybody on
2 the panel agree on that? What you don't agree on, I
3 gather, is the definition of northerner and Mr. St. Eloi
4 has given us his definition of northerner and that is
5 a person who is either born in this country, that is
6 born in the Northwest Territories, I presume, Mr. St. Eloi,
7 is that what you mean?

8 WITNESS ST. ELOI: Or the
9 Yukon.

10 Q Or the Yukon, or someone
11 who's parents left the Territories for a short time,
12 perhaps in order that he be born in a southern hospital
13 or at least that he's remigrated to the Territories,
14 is that correct?

15 A That's right.

16 Q Now, perhaps we could
17 go through the other panel members and just see what
18 range of definitions the rest of you are prepared to
19 accept of northerner and Mr. Dyck, have the Labourers
20 addressed this question and have they any suggestions
21 to make?

22 WITNESS DYCK: Our definition
23 of a northerner has been -- what we use at Syncrude has
24 been that they have been a resident in that area for
25 six months.

26 Q And would that be the
27 definition that you would propose apply in the Northwest
28 Territories?

29 A This would be the
30 definition that we would recommend be used, as far as

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1 our people are concerned.

2 Q All right, now, Mr.
3 Marriott, have you any definition that you would pro-
4 pose?

5 WITNESS MARRIOTT: Really,
6 no. We have -- I agree that -- I think we -- my answer
7 to that would be we get the people whether they're
8 resident or non-resident. We prefer, and always have,
9 as contractors prefer to use residents. The union
10 usually establishes that as they're coming up through
11 the union, being union contractors, we get the particu-
12 lar individuals that way, so really once the establish-
13 ment -- in the union's eyes, what the people, they
14 send us, it's answered automatically for us.

15 Q So, as far as the
16 contractors are concerned, with the exception of what
17 is written into the agreement, if there is a quota
18 system, you don't care where the workers come from
19 provided they're qualified.

20 A Qualification is the
21 main thing and I think this is no problem, as long
22 as they can do the work.

23 Q And, to you, I take it,
24 it doesn't matter how long they have been able to
25 do the work?

26 A This automatically
27 takes care of itself in pipelining. We got hung up
28 here, I don't know whether Mr. Commissioner, can I
29 get back to our main problem of experience?

30 THE COMMISSIONER: Yes.

A We get into priority,

MR. BAYLY: Now, I don't

want to get side-tracked onto that particular job because I understand that of its type, that is probably the top of the line job, that it's a very tricky job and involves teamwork with a number of other operators so that pipe can be lowered. We're looking at something which involves very few people on any given spread and maybe a job like pipeline welding that has to be given

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1 to an operator who has a great deal of experience. So,
2 in a sense will you agree with me that that's a red
3 herring because it's a very specialized job? Do you
4 agree with that?

5 A Yes.

6 Q One of the things that
7 the panel talked about in cross-examination was experience
8 in the entire working environment and I think it was
9 Mr. Nessel who referred to wanting people who were
10 able to work on a pipeline spread, not just be able
11 to operate a caterpillar tractor. Isn't that correct,
12 Mr. Nessel?

13 WITNESS NESSEL: Yes, that's
14 correct.

15 Q Right, now what I want
16 to know from the panel members is whether or not you
17 feel that the workers who have worked on pipeline
18 spreads in the south are acquainted with the working
19 environment that they may encounter on the North Slope
20 of the Yukon at 50 or 60 below in the dark or will
21 that be something that is new to them?

22 WITNESS MARRIOTT: I feel
23 confident -- we -- our contractor members -- a good
24 number of us, pioneered northern pipelining in Canada
25 and I am proud to say that I think they are more
26 knowledgeable than any American contractor and I have
27 no fears about them undertaking this sort of project.

28 Q I can--

29 A So far as the people con-
30 cerned, if that's what you're interested in, a good

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Cross-Exam by Bayly

1 number of them have, I don't say a lot of them or all
2 of them, and I think there's a lot of jobs that we
3 can learn from the northern residents, a lot of things
4 we can learn from them.

5 Q Right, now what I'm
6 suggesting to you is that there may be, and I appreciate
7 your confidence in Canadian contractors, but I'm
8 suggesting to you that there may be situations that
9 will be run into in which in that working environment,
10 the man who has driven a caterpillar tractor DFW Line
11 in ice fog, in the dark, in the cold, in a blizzard,
12 may have certain skills, certain abilities that his
13 more experienced pipeline tractor driver from Oklahoma
14 may just not have run into. Would you agree with that
15 Mr. Nessel?

16 WITNESS NESSEL: Yes, I'll
17 agree with that in this respect, that as far as cold
18 weather operations are concerned, there are some
19 people who are, you know, live in the north all the
20 time and are members of our organization. The example
21 that you quoted, it would certainly be -- it would be
22 of more value to the contractor and certainly would
23 be able to be of more value to themselves and their
24 family in being able to make a living under that kind
25 of environment than maybe somebody that's never seen
26 -- worked under snow and ice conditions and extreme
27 cold weather conditions.

28 But I think -- well, even
29 last winter with the Sarnia to Montreal line, there
30 was quite a bit of winter operation involved there. So

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1 that the Canadian pipeline welder, operator, teamster,
2 labourer, as such, the guys that have been in the
3 industry any number of years are well acquainted and
4 well experienced with cold weather operations and working
5 in the dark. The only thing is that it's just not
6 dark quite as long at Westlock on the 13th of January
7 as it is up here.

8 Q But you will agree with
9 me that there may be a swapping of skills. It's not
10 the southerners coming in and teaching the people in
11 this country how to do the various operations that
12 will have to go on on this project?

13 A I would think so, I
14 would think there would be quite a bit of that.

15 Q And I suggest to you
16 that if the workers are to be trained as the applicants
17 have told us they are, in recognizing environmental
18 problems and avoiding them or mitigating them that
19 it may well be the people who have been working in
20 the north on heavy equipment who will have that know-
21 ledge to a degree that is superior to that of people
22 who have not lived in this environment before?

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Cross-Exam by Bayly

1 A That could well be.

2 Q Could we get back, now
3 that we have the full panel, to the question I was
4 asking with regard to what a northerner is for the
5 various members of the panel and I'd appreciate, Mr.
6 Hodson, that you, being the Secretary of the Committee,
7 may not have your own definition, but if you do have
8 one to propose, please let us have it.

9 WITNESS HODSON: No, I don't
10 have, from the point of view of the Association or
11 in my own mind, a clear cut definition of a bona fide
12 resident. As a matter of fact, it was difficult to
13 arrive at any consensus within our panel on what the
14 definition of a resident would be and this is why we
15 stated simply that a strict definition will have to be
16 found.

17 Q All right. Mr.
18 Nessel, for the International Union of Operating
19 Engineers, has that union come up with a definition
20 that it finds acceptable to define northerner for the
21 purposes of this project?

22 WITNESS NESSEL: Not at this
23 stage, we haven't come up with a definite situation,
24 although again, as I've stated in other situations,
25 and on other big jobs, we found, as Mr. Dyck pointed
26 out, that six months prior to the job start, you know,
27 having a postal address and being settled in there six
28 months before the job starting, defined the northerners
29 or the resident for the purpose of that project pretty
30 well. Again, just to keep the boomers away.

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Cross-Exam by Bayly

1 Q Yes, and you told us
2 about what happened on the Thompson, Manitoba project.
3 When the boomers came in there were all sorts of
4 problems which were involved with them waiting around
5 for jobs that weren't there or weren't there at the
6 time. Mr. Whiteford, have you, as the representative
7 of the Teamsters, any proposal for the definition of
8 northern resident which should be applied in defining
9 job priorities or preferences?

10 WITNESS WHITEFORD: For this
11 area, you mean?

12 Q For this
13 particular project?

14 A I have no idea. We have
15 gone along the same as you have already heard, ^{6 months} sixty
16 days depending on which area it's in. The only way
17 we can control the boomers is by having a union shop
18 hiring hall and most of the companies who have the
19 job tell the people they have to hire through the
20 union hall and that way people don't go into an area.
21 Can you hear me?

22 Q Yes.

23 A Don't go into an area
24 and claim local residency. It just doesn't do them
25 any good.

26 Q The only way to prevent
27 that is to have a residency requirement and the union
28 hall set up?

29 A If it's legitimately
30 recognized they are local people, yes.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

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Cross-Exam by Bayly

1 Q And other jobs you've
2 said six months but you haven't come up with a time
3 limit?

4 A There has been different
5 time limits set on it with different agreements that
6 we have like we have a road builders' agreement that
7 has sixty days and so on.

8 Q Now, Mr. St. Eloi,
9 you're at the extreme end with regard to the other
10 panel member's possible definitions. I take it there
11 is a combination of reasons why you would want a long
12 residency requirement. One, it protects northern
13 residents of birth so that they definitely get priority
14 over what in jargon is called, the boomer situation?
15 Is that correct?

16 WITNESS ST. ELOI: That's
17 right.

18 Q And the other is that it
19 also protects the members of the union elsewhere--

20 A Right.

21 Q --in that they don't have
22 to compete with people who move in six months a year
23 ahead of the jobs commencement to claim priority over
24 people who are in the hall, is that correct?

25 A Partially, yes.

26 Q And what you want to come
27 up with in a definition, I take it, is something that
28 first of all, because you're representing the union,
29 protects your membership, is that correct?

30 A That's right.

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Dyck, St. Eloi
Cross-Exam by Bayly

1 Q And secondly because you
2 have a feeling for the area that you'll be working in
3 that protects the local residents from an influx of
4 people?

5 A That's correct. Some
6 of our--we've had projects where we've defined a local
7 resident as someone on the voter's list and there's
8 all kinds of other formulas. I think, of course, it's
9 just the opinion of our organization, that a resident
10 is a legitimate resident, not someone that's coming
11 in there just for the purposes of picking up a job and
12 you're right. That's why I have my job, is to protect
13 our members and as far as negotiating agreements where
14 we have a local union that may have a province-wide
15 jurisdiction, we have negotiated clauses in there that
16 protects our local members that reside in the area.

17 In this case, we're talking
18 about a special problem and certainly I think we're
19 obligated as citizens of Canada, not only the labour
20 movement, to make certain privileges available to
21 people in the North.

22 Q I take it--

23 THE COMMISSIONER: Excuse me.
24 Mr. Whiteford has a comment.

25 WITNESS WHITEFORD: Yes, I'd
26 like a clarification, if I might. We're talking about
27 local residents now. As I understand it, this Commission
28 is involved in talking to us as union people about how
29 we feel about northern residents. Now, the Northwest
30 Territories is a very large area. It's a little

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1 confusing to me to answer this question that I was
2 asked because a Northwest Territory resident is not
3 really what we would call a local resident right here
4 and I was just wondering what the intent is of the
5 people questioning us. What do they mean when they
6 say, do we give preference to local residents or people
7 in the northern residence? That covers--I might say
8 that also covers Alaska because native residents of
9 Alaska, I understand, and I might be corrected on this,
10 /can also work in the Mackenzie Valley.

11 MR. BAYLY: Mr. Whiteford,
12 I understand the rules haven't been set but what I'd
13 like to invite you to do is to tell us what you feel
14 should be the definition. Should we have a geographical
15 definition? Should it be people within a hundred miles
16 of the Mackenzie River? How does your union feel about
17 that?

18 A That's not for me to
19 answer. I don't know exactly what the Government of
20 Canada is requiring when they're talking about natives
21 being given preference as local residents.

22 THE COMMISSIONER: Mr. Whiteford,
23 I think the government in the guidelines clearly means
24 northern residents. That is, if you live above--north
25 of the 60th parallel, then that's the thing, not are
26 you living within 10 miles of Yellowknife for purposes
27 of employment on the spread in this vicinity. That's
28 a question that went through my mind though earlier when
29 someone put to Mr. Hodson or Mr. Nessel the hypothetical
30 case, Mr. Steeves put it to him; a bulldozer operator in

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1 Yellowknife and another one in Edmonton and let's
2 suppose the job is on a spread on the Northern Yukon,
3 on the Arctic coast, clearly a northern preference
4 clause, all things being equal, we'll give the job
5 to the man in Yellowknife. But his connection with the
6 Arctic coast of the Yukon is about as tenuous as the
7 connection that the man from Edmonton has with it.
8 That's right. That's what they're thinking of.

9 WITNESS NESSEL: I think that
10 we would have some trouble, all of us, from the union's
11 point of view in accepting carte blanche, a situation
12 whereby anyone north of the 60th parallel were to be
13 classified as a northern resident for the purpose of
14 building this pipeline because it would just not make
15 common sense to expect that a fellow in Labrador who
16 might be a bulldozer operator should have preference
17 over someone who lives at Grande Prairie.

18 THE COMMISSIONER: Excuse me,
19 Mr. Nessel, just to limit the scope of this thing,
20 the Federal Government's jurisdiction is the Yukon and
21 the Northwest Territories. They don't have any say
22 about Labrador and Quebec.

23 A Well, all
24 right, let's use Fort Churchill then.

25 THE COMMISSIONER: Pardon me?

26 A Let's use
27 Fort Churchill then as an example.

28 MR. BAYLY: It's in
29 Manitoba, I believe, isn't it?

30 A Lost again.

1 THE COMMISSIONER: Take Fro-
2 bisher Bay and we are with you.

3 A Okay,
4 Frobisher Bay. Well, you know, the practicality of
5 having that person transported to and from the job on
6 the normal basis as any other workman, it seems to be
pretty far fetched in my mind.

7 I don't think those people
8 would just want to pull up roots and leave. They might.

9 THE COMMISSIONER: I think
10 common sense imposes some limitations on the application.

11 A I think that
12 that would be the proper approach, the common sense,
13 within reasonable commuting distance of the job for
14 a specified period of time prior to the job starting.

15 MR. BAYLY: Mr. Nessel, let
16 me follow this up then because Gulf has workers coming
17 in from Coppermine into the Mackenzie Delta to do work
18 on their oil rigs. They fly them in and out every
19 work period, approximately two weeks. Is that common
20 sense commuting distance in your union's thinking?

21 THE COMMISSIONER: Yes, that's
22 about five hundred miles, I think.

23 A Yes, that
24 makes sense to me.

25 MR. BAYLY: All right. Is Spence
26 Bay which is perhaps another two hundred miles farther
27 east within sensible commuting distance.

28 A I can't see
29 that as being a problem. You know, the distances in
30 our southern minds don't mean that much up here.

EXHIBIT 2, B.C.

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1 You know, somebody says that's the Northwest Territories
2 and it's a jillion miles away from this point to that
3 point. When you start looking at air transportation,
4 it's maybe an hour and a half which is really no
5 farther than Edmonton. So, that makes sense to me,
6 if they're in reasonable commuting distance.

7 Q We are going to have to
8 define this, I suggest to you, otherwise we're going
9 to end up with disputes. Do you think it should be
10 measured in time, without putting a particular time on
11 it?

12 A That might be the best
13 approach.

14 Q In other words, perhaps
15 an hour and a half.

16 A Two or three hours or
17 something like that.

18 THE COMMISSIONER: Mr.
19 Whiteford, you wanted to add something.

20 WITNESS WHITEFORD: I wonder
21 if my question was answered. Well, I'm not too sure
22 because, you know, there's natives in the Northwest
23 Territories that are way out of the scope of the
24 Mackenzie Valley and where this pipeline is going to
25 built that might not even know about it. But should
26 they know about it? Are we talking about these people
27 too or what?

28 THE COMMISSIONER: Well, that's
29 really what this Inquiry is for. If you look at those
30 guidelines laid down by the Federal Government

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1 everybody north of 60 is a northerner and qualifies
2 for any special employment preference and so on and so
3 forth. Clearly you're not doing some communities a
4 favor and you're not doing families a favor by hauling
5 people a couple of thousand miles every two weeks.

6 On the other hand, as Mr.
7 Nessel says, distances here are not a barrier.
8 Coppermine has a program of which it's very proud, at
9 least not Coppermine, but Gulf has a program that they've
10 told us about where they fly Eskimo people from
11 Coppermine to their lakes and their camps in the Delta.
12 As I say, that's five hundred miles. That's a long
13 way.

14 But a point is reached when
15 it's obvious it makes no sense and I think we'll have
16 to leave that to the Inquiry to figure out.

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Cross-Exam by Bayly

1 A Well, we have a hiring
2 hall in Vancouver for instance, that we fly people to
3 the Anvil Mines, when the construction was on, which
4 is a lot further than 500 miles.

5 Q And the companies
6 proposed to fly their crews in from Edmonton, that is
7 the Arctic Gas and Foothills have made it plain to
8 us that their idea is that people from southern Canada
9 working on this pipeline will be flown in and out and
10 Edmonton, being the nearest large center, that means
11 there are going to be transporting those people an
12 awful long way. For instance if you go from Edmonton
13 to a spread on the Arctic Coast to the Yukon, I think
14 that's probably 1,500 miles, every two weeks, well,
15 that's a long way.

16 WITNESS NESSEL: Well, Mr.
17 Commissioner, I think when we contemplated an early
18 start to the gasline out of the north, whoever was
19 going to build it, we looked at this situation from
20 the union's point of view and sat down with the con-
21 tractors who would probably be involved and developed
22 these northern conditions, which was attached as part
23 of the agreement and we contemplated then the source
24 of supply as being Edmonton. I don't think anything
25 has changed there. The major source for manpower,
26 the staging area if you want, would be Edmonton.

27 Q Yes.

28 A Now, it could well be
29 that the people will be coming from , you know, if
30 they're pipeline welders they could be coming from

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1 Montreal, Toronto, Vancouver, wherever and in the
2 case of the highly skilled equipment operators, you
3 know, the hotshots, the ditching machine operators and
4 clam operators and so on, that could well be, but
5 Edmonton would be the staging area. I don't think any-
6 thing has changed our mind on that.

7 Simply from a logistics
8 point of view, you've got two airports, you've got
9 trains, bus, rail connections, you know, from all over
10 Canada there and being an Edmontonian, it is the gateway
11 to the north.

12 Q Right.

13 MR. BAYLY: Could I go on to
14 another subject then?

15 THE COMMISSIONER: They might
16 split P.W.A. up, leave half of it in Edmonton and half
17 of it in Vancouver.

18 MR. HOLLINGWORTH: Forget
19 about Calgary?

20 WITNESS WHITEFORD: The
21 schedules are bad enough now.

22 MR. STEEVES: You don't know
23 the half of it.

24 A Oh yes, I do.

25 MR. BAYLY: I take it,
26 Mr. Commissioner, I'm not to be blamed for the length
27 of this cross-examination.

28 THE COMMISSIONER: No, no, no,
29 no.

30 MR. BAYLY: Now, one of the

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1 concerns that I have is raised on page two of your
2 brief where you state that work methods, techniques,
3 specialized equipment and employee skills are peculiar
4 to this type of construction. Now, Mr. Hodson, I take
5 from that that we may find that people who, over the
6 three year or perhaps more that the construction takes
7 place, people who acquire the skills will either have
8 to continue to work in the pipeline industry or they
9 will have to supplement the skills they have gained
10 with others to apply them to other kinds of construction,
11 either on the job or by going back to school, would you
12 agree with that?

13 WITNESS HODSON: Not in all
14 occupational classifications, but in quite a large
15 number they would have to either go into a training
16 situation or on the job training to acquire additional
17 skills.

18 Q Right, and when you're
19 referring to work methods, techniques, specialized
20 equipment and employee skills, are you confining your-
21 self to a very small number of the operations or does
22 this embrace a large part of the skills and operating
23 requirements of a pipeline building operation?

24 A Yes, I would say that
25 a very large number of the skilled tradesmen on a pipe-
26 line have specific skills for that class of construction,
27 notably down-hand welders.

28 Q Yes. Now, you've referred
29 to, in the answers to the last few questions that for
30 example, the pipeline welders may come from all over

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Cross-Exam by Bayly

1 Canada, from different parts of Canada and therefore,
2 for someone to follow that particular trade he would
3 have to be prepared to become quite a mobile person, to
4 move to where the work is, wherever it is on the
5 continent, do you agree with that?

6 A Actually, Mr. Commissioner,
7 that is largely the nature of the beast in the pipeline
8 industry. They are very mobile and are prepared to
9 move wherever the work is.

10 Q Fine. So those people
11 who would go into the work as northerners would either
12 have to go in prepared to work for the period of construc-
13 tion on this particular line or to evolve the skills
14 that would necessitate their travelling from place to
15 place, where ever a pipeline job was going on.

16 THE COMMISSIONER: In order
17 to use the skills.

18 MR. BAYLY: In order to use
19 these skills.

20 A And having acquired
21 those specialized skills they would have to follow
22 pipelining where ever it may be I would say, if they
23 want to pursue pipeline construction, yes.

24 Q Now, you're acquainted
25 with the fact that in Fort Smith there is a vocational
26 training center which teaches some of the basic skills
27 I take it, that might lead one into pipeline construction
28 as well as other kinds of construction.

29 A I am aware of its
30 existence, I'm not too familiar with the curriculum or

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Cross-Exam by Bayly

1 the courses.

2 Q Mr. Nessel, are you, as
3 a citizen of the gateway of the north more acquainted
4 with it?

5 WITNESS NESSEL: Well, we
6 know that they've got a kind of programme there and
7 it's pretty broad. It covers everything from truck-
8 driving to bulldozer operating, front-end loader and
9 grader and so on and so forth. They're the 90 day
10 wonders we referred to. That's what we call it.

11 Q And the 90 day wonders
12 have their drawbacks as well as their advantages, I
13 take it?

14 A Oh yes, oh yes.

15 THE COMMISSIONER: Well, when
16 you say 90 day wonders --

17 A Well, that's normally
18 the course of school time.

19 Q And do you say that
20 as a compliment or disparagingly or --

21 A Neither way.

22 Q Pardon?

23 A Neither way. There's
24 some of them are real good hands and some of them will
25 never make it.

26 MR. BAYLY: What you're saying
27 though, with that is that in order to apply these
28 skills to some of the particular jobs that have to
29 be done 90 days is not sufficient training for most
30 people.

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Cross-Exam by Bayly

1 A Only for very basic
2 training.

3 Q Yes, so these people,
4 in order to be really qualified, for say, some of
5 the operating jobs on the pipeline, would only have
6 reached the threshold of ability by taking these
7 courses. They couldn't expect to just walk into a
8 job except a very basic one or one where they were under
9 very tight supervision.

10 A No, our experience has
11 been with the people coming out of the vocational
12 training programmes that they have to be -- they just
13 about have to have a foreman take them by the hand and
14 show them what the work is for the first little period
15 of time.

16 Q So, when we were given
17 the situation that Mr. Steeves outlined to you, if
18 someone were to come from Tuktoyaktuk and present his
19 certificate as a bulldozer operator with Fort Smith,
20 Adult Vocational Training Center on the top of it,
21 you wouldn't put him in the same class as a bulldozer
22 operator who'd been working on a pipeline down in
23 southern Canada?

24 A No, you couldn't.

25 Q Right. And if he
26 were competing for the same job, how would he prove
27 that he was able to take advantage of the priority
28 that you spoke of in your evidence?

29 A Well, you wouldn't put
30 that fellow into a position. Here again, let me explain

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1 to you the procedures.

Once a pipeline job is let
to a contractor, there's a pre-job conference and that
conference is held sometimes a day before the job
kicks-off or commences to as much as a month or two
months before it kicks-off, so we have adequate notice
of the crew requirements.

8 Now then, assuming that
9 there is knowledge of people available with specific
10 skills, let's talk about the situation of the guy with
11 an A.V.C. certificate, a hypothetical case, and he's
12 got the course completed as a dozer operator. Now,
13 the contractor would start out probably with 15 to 20
14 dozers on the right-of-way. You couldn't put that
15 fellow out on the pioneer -- what they call the pioneer
16 dozer because he simply wouldn't know what to do, but
17 he could sure fill in a back end if he was -- you know,
18 in the back end of that crew where they were simply
19 moving dirt.

20 Q Pioneer one is the one
21 that goes first.

22 A Right. But he could
23 fill in at the back end or if there was any doubt about
24 his qualifications in that respect, knowing the nature
25 and the terrain of the work he might -- and it might
26 suit, if you didn't have a training programme readily
27 available, you know, because the training programme
28 would go -- the pre-training programmes we foresee would
29 go maybe six or eight months or a year before the work
30 starts. From there on the training programmes might

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1 continue but they would be -- they would filter into
2 the on the job training situation much quicker, so
3 there again we would foresee this type of a situation
4 as has happened at Fort McMurray, the guy took the
5 bulldozer course, he didn't really feel that he was
6 completely competent once he got out on the job and
7 saw what was required so then maybe he works as a
8 swamper for a week or two, around the dozer and then
9 he goes onto the machine or he'll start on a little
10 machine, you know, maybe he'll look after pumps or
11 compressors or something like that until he sees what
12 the work is and then they put him on a machine and try
13 him out.

14 Q So, the training period
15 prior to the start-up of the construction is crucial
16 for you to sort out the qualifications of people,
17 whether they have the certificate or whether they've
18 learned, say on a DEW Line job or on a highway job and
19 for you to see whether they should be anywhere near
20 the pioneer end or the back-up end or manning the
21 compressors and seeing what's happening?

22 A Yes. I think they find
23 their own level pretty well.

24 Q Now, --

25 A That's -- I should say
26 though, at this stage that's not for us to determine.
27 Once he's out on that job and hired as a "bulldozer
28 operator", then his performance is measured by the
29 contractor representative, not the union.

30 Q I understand that, but

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1 the union is asked by the contractor to provide a
2 certain number of operators. If you provide a certain
3 number of operators who have never seen the job and none
4 that have seen it, then the contractor is going to come
5 back to you and say give us some real bulldozer operators
6 that know what they're doing because we can't do the
7 job with the ones you've sent.

8 A That's a fact, but we
9 would hope in this situation that those skills would
10 have been assessed jointly, between the government
11 and the agencies involved, certainly the native organ-
12 izations, they know better their people, what they can
13 do and what they'd like to do than we do and the con-
14 tractors and the unions. So that there would be a
15 pre-inventory, we would in fact, I don't see how you
16 could operate without that fact.

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Cross-Exam by Bayly

1 Q You talked about a six
2 month to eight month period to do this sorting out or
3 would you recommend a longer period?

4 A The longer the better.

5 Q Right. And when you say
6 the longer the better, can you give us--can you bracket
7 some times you'd like to see?

8 A At least a year.

9 Q Should it be more than a
10 year?

11 A Well, I don't think you'd
12 accomplish much by having it more than a year because
13 you see the whole thing is contingent upon permits
14 being issued. Now, we've been sitting ready to go
15 with this pipeline work from the union point of view
16 and from the contractor point of view since 1971.

17 Here we are in 1976 and there's
18 still no permits issued. So, once somebody decides
19 that there should be a pipeline built and permits are
20 issued, and they say okay, she's go. From that time on
21 a minimum of one year would be required to get some
22 training programs in place. The inventory of people,
23 their available skills and aspirations and so on and
24 so forth.

25 Q So you're told she's go
26 and then you say whoa for a year approximately so that
27 we can sort out who should go where and when.

28 A I don't think we'd say
29 whoa for a year. I think that the very logistics of
30 the job in itself, there would be at least a year lapse

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1 before there would be any bulldozers on the right-of-
2 way?

3 Q Now, we've talked about
4 bulldozers. That may be a bit unfair to the
5 representatives of the other unions. Do they have
6 time periods? Could we start with you, Mr. St. Eloi?

7 WITNESS ST. ELOI: Could you
8 ask me that question again please.

9 MR. BAYLY: Yes, sorry. What
10 sort of period between granting of permits and start
11 up would your union members require to sort out what
12 jobs could be done by the available people, what could
13 be done by northerners and how the crews could be set
14 up? We have had a suggestion from Mr. Nessel that the
15 period should be approximately one year.

16 WITNESS ST. ELOI: Well, I'm
17 assuming that the screening process will be done in
18 co-operation with whatever government department it
19 might be in in conjunction with some recognized body
20 of the northern people. As far as sorting anything
21 out, we're prepared to take our share of a pre-
22 determined ratio of the available people in the North
23 and put them to work right away as soon as jobs are
24 available.

25 As far as a probationary
26 period to determine whether or not they're adaptable
27 to the type of work they're doing, we think three
28 months is enough.

29 Q You want the job to be
30 defined, I take it, and that involves having some sort

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1 of an--

2 A No, we want a list of the
3 people that are available in the North for work on
4 construction, all types of construction, in connection
5 with the proposed pipeline.

6 Q Don't you want to know--

7 A When that's done, we'll
8 absorb our share.

9 Q Don't you want to know
10 what the job is going to be; whether there's going to
11 be say an operator's manual of rules and regulations
12 set down by the company and the government?

13 A What do you mean?

14 Q You don't envisage there
15 being an operator's manual that talks about what various
16 steps have to be done in the fields to do the job on
17 this particular pipeline?

18 A Well, I don't know whether
19 it's come to light here, but certainly the Advisory
20 Committee in connection with the pipeline has made it
21 known that we're prepared to participate and to co-
22 operate in developing bulletins and programs, a proper
23 program to inform the people of the North what pipelines
24 are all about.

25 But unfortunately we don't
26 have the kind of money to do a professional job and
27 we have made it known to the government that with
28 their co-operation and our input, we'll do our best to
29 come up with some type of literature, brochures, if you
30 wish, to inform the people.

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 Q You're saying now that
2 it'll be about three months for you to get organized
3 after permits are issued?

4 A No, I'm saying in a
5 three month period we'll know whether a pipeline
6 welder's helper likes that work or not.

7 WITNESS NESSEL: After he's hired?

8 WITNESS ST. ELOI: After he's hired. As
9 far as our union is concerned, we'll absorb our share
10 and do our best to keep them busy, not only in the
11 pipeline phase of it. We'll phase them into the
12 plant work as well.

13 MR. BAYLY: Right. Mr. Dyck?

14 WITNESS DYCK: Well, with the
15 type of people in the labour definition, they wouldn't
16 need--we would like to have them take training or if
17 they proved that they have their training, they could
18 go to work almost immediately but as a labourer and
19 similar classifications that are covered in our
20 jurisdiction, they don't need the training for the same
21 length of time as they do in the other trades.

22 Q We've been told by the
23 Applicants and others that there may well be a training
24 course as there has been in the Trans Alaska Pipeline
25 to teach southern workers about northern living
26 conditions, about working conditions, about special
27 considerations that have to be made with regard to the
28 environment so that you don't mess things up. Have
29 you taken that into account?

30 A I haven't heard about that.

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 MR. BAYLY: All right. Now,
2 Mr. Marriott, I'll skip you because you don't represent
3 one of the unions. Mr. Whiteford?

4 WITNESS WHITEFORD: Well, I
5 don't see any problem as far as northern hire is
6 concerned because I believe that there's been enough
7 non-union contractors through this Northwest Territories
8 that I have had natives go through like a grinding
9 machine on trucks that I'm sure that when the pipeline
10 goes, if it goes, that there'd be enough of them around
11 that we'd be able to take and put on trucks and make
12 sure they're qualified. We have no problem there.

13 Q All right. Now, one of
14 the things that Mr. St. Eloi said in his evidence and
15 I'd like you to comment on it please, Mr. Whiteford,
16 is this, that he can't envisage a part union, part
17 non-union job. That this pipeline project should be
18 all union or no union and he can't see enough non-
19 union workers available to do it any other way but
20 completely unionized. Do you agree with that?

21 A I could never see a
22 non-union job at any time.

23 Q You've seen some. You've
24 just said that some do go through this Territory.

25 A No, I haven't seen them.
26 We have spent a lot of time and money trying to organize
27 the non-union contractors in the Northwest Territories
28 and we have some very, very prominent contractors still
29 working in the Northwest Territories on a highway who
30 admitted themselves that they go through northern people

1 like a meat grinder and it doesn't bother them. I feel
2 that there's enough people in the Northwest Territories
3 who are native, who have skill on these jobs, that
4 we can pick up and with the support of the union, I
5 think that we can help them out and take them into
6 our union and they won't go through them like a meat
7 grinder.

8 Q Now, one of the concerns
9 that may be raised by not so much the prominent
10 contractor but the man with two or three trucks who
11 drives out of Aklavik or Inuvik is that he may be using
12 his drivers as maintenance men or mechanics as well.
13 Would you envisage if this were a union job and he
14 wanted to do some contracting on it that he would then
15 have to have drivers--or mechanics as well as drivers,
16 unionized, to be able to participate in it?

17 A Well, that's a bad
18 question to answer but as far as I'm concerned, if this
19 job goes, and they have an overall agreement covering
20 it, however is working on the job, will have to abide
21 by the rules that are laid down in the agreement.

22 Q All right, so you wouldn't
23 see any preference then being tolerable for northern
24 contractors, although you agree with the general brief
25 that there should be some for northern workers.

26 A I can't answer for
27 contractors. All I can answer for is local people who
28 are in our union and as long as they're in our union
29 under our jurisdiction, I can only speak for them and
30 what they would be entitled to do and what not to do.

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 Q I'm not asking you to
2 speak for the contractors but I'm asking you to give
3 me your comments on the problem because you're one of
4 the major bargainers in this and I want to know what
5 your union--

6 A If it was a freight
7 organization, --

8 Q Try that again because
9 I missed the first part.

10 A All right. If it was a
11 freighting organization like a freightline that was
12 supplying to the pipeline they would also have mechanics
13 and warehousemen and the whole works would be under the
14 Teamsters. If it was a construction firm, of course,
15 he would come under the agreement and truck drivers
16 would be truck drivers, warehousemen would be Teamsters
17 and if they had mechanics, they'd be operating engineers.

18 Q So, there may well be
19 problems in reorganizing for contractors who may be
20 trying to use their personnel and stretch them over
21 various jobs.

22 A I don't think there would
23 be any different problem than we have in what we call
24 Southern Canada which is the first time I've heard it,
25 but in Southern Canada we do have the same problems and
26 they're overcome. There doesn't seem to be any problem.
27 They sign a union agreement and with the different
28 unions, some contractors down in Southern Canada have
29 an agreement with four or five different trades within
30 the building trades and there doesn't seem to be any

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 problem.

2 MR. BAYLY: Now, Mr. Nissel,
3 you look like--

4 WITNESS NESSEL: Yes, I think
5 that some of those--I think I read some place in one
6 of the--this concern expressed, I don't know how long
7 ago but sometime ago somebody did express concern and
8 all right, here we've got a situation where we're working
9 on a union job and we've got three trucks. Now, the
10 truck has got a flat tire and there the damn thing
11 sits until the mechanic comes along and changes it.

12 Now, he doesn't employ any
13 mechanics and so it creates quite a problem. That isn't
14 the way it works. The truck driver looks after his
15 truck. If it means putting a clutch in the damn
16 thing out in the middle of the Alaska Highway, he
17 does it. He doesn't sit and wait for a mechanic.
18 The same situation holds true for the fellow who runs
19 the bulldozer. If he has to reverse the fan on the
20 thing to keep from freezing to death, he doesn't sit
21 there and wait for the mechanic. The same thing with
22 the pipeline welder. He's out there welding pipe but
23 if a finger happens to break off one of those tongs,
24 they are not going to wait for an operating engineer
25 welder to come and weld it. That guy just goes and
26 sticks a little bit of rod on it and away they go.

27 So, the jurisdictional
28 concerns, I think, really is what was expressed at
29 that time. They are not nearly as prominent as what
30 some people would have you believe.

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

Q So, you think that it can
be overcome even for the small contractor who isn't at
the present, setup with people in various categories?

Whiteford, Nessel, Hodson
Marriott, Dyck, St. Eloi
Cross-Exam by Bayly

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A Well, we have got sub-
contractors, small subcontractors that operate as Joe
says in southern Canada on a pipeline job and if
his truck breaks down and the driver can't get it
going, they get the contractor's mechanic to come and
do it. You know, they'll borrow that contractor's
mechanic. That's how it works.

Q Now, if I could, just
before I leave the preference question, what you have
said, with regard to once people are hired and I
believe these are your words, Mr. Nessel, that you
don't want native people or people born in the north
or northern residents, whatever we want to call them,
to receive any different treatment once they have got
the job -- that if they are late, if they're not
working properly or whatever, they should be disciplined
just like everybody else.

A From the -- if I could
answer Mr. Commissioner -- from the union's point of
view and I think I speak for all unions here, once
that guy is hired under the terms of a collective
agreement, he is treated exactly the same as anyone
else.

Q All right. Now, we have
had evidence given here by Dr. Hobart for Arctic Gas and
for the Gulf Oil company and he was referring to Gulf's
program in Coppermine. Have you had a chance to look
at his study, Mr. Nessel?

A Sorry, I don't think any

Whiteford, Nessel, Hodson
Marriott, Dyck, St. Eloi
Cross-Exam by Bayly

1 of us have.

2 Q Let me tell you basically
3 what he said and I'm sure Mr. Steeves will step in if
4 I have said anything Dr. Hobart didn't say. In that
5 study it said that there were some preferential treat-
6 ment given on the job to native peoples from Coppermine
7 in that sometimes men would show up for work late
8 because they had family matters to attend to at home
9 or needed to spend some time hunting because it was
10 time for hunting. Often they were not disciplined
11 or dismissed for this behaviour and the Gulf
12 people seemed to feel this program has worked quite
13 well in developing a core of dependable workers. They
14 argued that this does not happen overnight but that
15 you have to teach people some of these new patterns
16 gradually that some of the people that would be
17 coming into the labour force would be doing so on
18 this job for the first time.

19 Now, how does that fit
20 in with the statement that you made with regard to
21 priorities in your evidence?

22 THE COMMISSIONER: Can I just
23 ask you to comment on it from two points of view. It
24 occurred to me. One is the Gulf rigs and camps in the
25 delta where these people are working are non-union.
26 The second thing is that -- and I would like your
27 opinion on this -- are you able to tolerate to a
28 greater extent absences and latenesses on a permanent
29 operation such as a rig or a camp, a base camp, to
30 a greater extent than you would on a pipeline spread

Whiteford, Nessel, Hodson
Marriott, Dyck, St. Eloi
Cross-Exam by Bayly

1 which is, I suppose, what used to be called a highball
2 operation if that expression is still one that's used.

3 Those two things occurred
4 to me but you might comment on those and any others
5 that come to mind.

6 WITNESS MARRIOTT: Well, to
7 answer your question there, I -- this was a rig
8 situation?

9 Q Yes, well they're base
10 camps where they -- which are more or less staging areas
11 and then they have rigs and I think that's where these
12 people work, isn't it?

13 MR. BAYLY: I believe that
14 was the project, yes, sir.

15 THE COMMISSIONER: And I don't
16 think -- I had the impression that not many of them
17 are actually working on the rigs but a rig is something
18 like a factory. It's there --

19 A Yes, I have worked in
20 both of them.

21 Q Well, then, I'll let you --

22 A If -- let's start it
23 this way -- a pipeline operation is a very organized --
24 we feel anyway and proud of it -- operation. Each crew
25 is dependent on the next. If you're welding, your
26 ditch crew, your welding crew, your back end crew, they
27 all follow in line. The reason we can't tolerate
28 absenteeism and don't think it doesn't happen in other
29 places but when you're so remote from replacements it's
30 going to be difficult because if half a crew doesn't

Whiteford, Nessel, Hodson
Marriott, Dyck, St. Eloi
Cross-Exam by Bayly

show up one day, it means a whole spread could be shut down or a good portion of it -- as much as 50% of it. The costs are just astronomical.

On a rig situation, it was never pointed here just what they were doing. A rig is not as high employ, an industry that you employ a large number I don't think. When I worked on it, there was only half a dozen on the floor at any time and you are looking at if one's short you can get away with it. If three are short you can get away with it as long as you are not coming in out of the hole. If ^{these} are just sidehands it's no problem so it depends where they were working. If a driller didn't show up every day, there would be a problem or the cathead man or the -- there would be a definite problem even on any rig. It depends where they are employed.

I think that if we were -- had a couple of well -- in the front end of any pipe gang your lead welders are a key. Now, if they don't show up, you are in a tough situation. The whole pipe gang starts and you have got 50 people sitting there just waiting at the minimum just for the one crew and it's -- I don't think we can just make a broad brush statement and say, you know, you can tolerate that. They can tolerate in the road work, operators not showing up because they might have 20 dozers there and they only lose two of them. We can tolerate that to that extent but once you get into the main productive crews, it just costs a lot of money.

Whiteford, Nessel, Hodson
Marriott, Dyck, St. Eloi
Cross-Exam by Bayly

Q Yes.

WITNESS NESSEL: Maybe I could interject from the union's side on that particular situation, you know, the positive discrimination for local resident or minority group or whatever it has. You know, it seems popular to call anyone that isn't white a minority group. Now, that happens through the States and everywhere and I certainly don't mean disparagingly about that but everybody is lumped into that situation and sometimes it has some bad connotations.

We don't look at it that way. Color, race, that doesn't make any difference. The guy has got a union book. He's got a number on it or if he is working under the terms of our collective agreement he is entitled to the same representation as anybody else. Now, that's pretty high sounding philosophy but that's the way it is and the man who was hired today under the terms of a collective agreement and he gets himself into a jackpot for whatever reason is entitled to the same representation and grievance procedure and arbitration as the guy who has been there for three years, on a construction job. All right, now, we'll follow this out.

We have a situation where there are camp rules laid down -- absenteeism for more than three days on the Syncrude project, is sufficient cause for dismissal. You know, when they say three days, that's without -- if you just disappear from the job and don't come back on the

Whiteford, Nessel, HODson
Marriott, Dyck, St. Eloi
Cross-Exam by Bayly

1 fourth day, you're terminated. Now, if you have the
2 situation whereby the local resident is discriminated
3 favourably in that respect, he can miss six days, can
4 you see the bunkhouse hassle that goes on? The guy
5 who is not a local resident or part of a minority group
6 or whatever, special treatment group says, "How come
7 he gets all the breaks? You know, we're all working
8 under the same agreement. The camp rules are
9 standard for everybody. The conduct rules are
10 standard for everybody. How come he gets all the breaks?"

11 So that's why we said,
12 make it sensible. Make it logical. Make it
13 reasonable and the conditions of employment are
14 then equally applied to everybody. Because otherwise,
15 we'd, you know, we haven't a hope in hell of winning
16 a grievance for a guy if we've got two sets of rules,
17 on an unjust dismissal or discipline charge.

18 MR. BAYLY: Okay, I can
19 understand that and one of the problems that was raised
20 by people in Alaska was that when the work schedules
21 were determined, it frequently meant that there
22 were nine to thirteen weeks on the job depending on
23 which spread and what they were doing with one or two
24 weeks off. Now, this worked very well for some people
25 but not for others and it was complained about by
26 particularly native Alaskans that it didn't fit into
27 their schedules they would like. Now, this happened
28 as well in the Gulf Oil situation and the Canmar
29 situation in Tuktoyaktuk. Those two companies adjusted
30 their schedules for shorter periods of time on for

Whiteford, Nessel, Hodson
Marriott, Dyck, St. Eloi
Cross-Exam by Bayly

1 native peoples and then the breaks off in other words
2 more frequently. In other words, they might do two
3 weeks on and one week off. Do you see that as a
4 possible way of accommodating different life-styles on
5 the job or do you think that would raise the same
6 bunkhouse hassles as you have called them with regard
7 to native peoples as opposed to white people having
8 different sets of rules for them?

9 A Yes, I think it would
10 create problems. YOU know, you have got to have for
11 that type of -- here again, I think if we're practical
12 about the thing, we are looking at probably two winters
13 of construction and one summer. That's the best
14 information that we've been able to get from anybody,
15 for the construction of this work.

16 THE COMMISSIONER: Of laying
17 pipe.

18 A Sir?

19 Q Of laying pipe.

20 A Yes, of laying pipe and
21 that's basically I think what we're talking about.
22 So you would be looking at a schedule maybe of
23 starting the southern work and again under all situations
24 everybody would be leaving in camp, except maybe some
25 of the local residents who might be fairly close to the
26 area and maybe they don't want to live in camp and as
27 long as they can get to work in the morning, well, that's
28 fair ball. We don't insist that everybody -- everybody
29 at Fort McMurray doesn't live in the camp.
30

1 MR. BAYLY: Right, so you
2 don't mind that kind of preferential treatment if a
3 man can take his skidoo and drive home?

4 A Yes, that's his business.
5 Sure, that doesn't create any problems but he's
6 there for work the same as anybody else but if you've
7 got a rotation system or an incentive system or whatever
8 it is, I think that would have to be universally
9 applied.

10 We would look at it
11 differently now. I know I would as one of the
12 negotiators on that committee, for northern
13 conditions. I would look at it differently now than
14 what I did in 1971 because times have changed, the
15 area has opened up; air transportation is going to be
16 the mode of transportation and it is not so difficult
17 to get guys in and out. There will be airplanes
18 running almost every day that the weather will
19 permit to almost every campsite of necessity so that
20 there will be transportation facilities available but
21 again from the logistics point of view, the availability
22 of people enabled to keep the job going, on a building
23 trades job, they can generally staff additional people
24 to take care of the rotation leave situation. On a
25 pipeline job because, you know, once the pipeline, if
26 the pipeline industry gets real active, they just don't
27 have that many bodies that they can turn around.

28 Q You're saying then that
29 it doesn't have to be the Alaskan schedule. It could
30 be the same schedule for everybody but one that fits

Whiteford, Nessel, Hodson
Marriott, Dyck, St. Eloi
Cross-Exam by Bayly

1 in with northern native life-styles better than that
2 particular one did?

3 A Yes, I'm not saying at
4 this stage that I would be prepared to say it has to
5 be a hard and fast situation, either Alaska or Fort
6 McMurray at this time.

7 Q All right and how --

8 A Fort McMurray is what --
9 anywhere from 21 to 31 -- 35 days, isn't it? 35 days
10 and then the guys get 5 days off but they also have
11 their weekends off there too.

12 Q Right.

13 A When we're talking about
14 pipeline operation, we're generally talking about
15 seven-day operation. I don't think I would want to
16 see a situation develop where the guy was going to
17 be sitting in there from six and eight months straight.

18 They didn't do it in
19 Montreal this last spring and last winter. They didn't
20 stay down there seven days a week, twelve hours a day.
21 The job was set up on seven tens and they took advantage
22 of the long weekends and the bad weather and they came
23 home to Edmonton and Vancouver and all over the country.

Whiteford, Nessel.
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 O. so you don't give
2 preferential treatment if a
3 man's married, from the point of view of the contractors
4 do you see something to be gained by having a long
5 work period in numbers of weeks and then a period off
6 or do you see being able to accommodate the work that
7 you have to get done on schedule to a different, say
8 shorter work period and more frequent breaks?

9 WITNESS MARRIOTT: Well, I
10 think historically pipeliners have been the ones that
11 could work for long periods. I think what you're
12 concerned with is, you know, to meet these emergency
13 or crisis situations that might be experienced by the
14 northern people.

15 I don't foresee working any
16 different than you would if you work in Newfoundland
17 where they have fishing, and they go in and they
18 -- your work force fluctuates. The thing is, -- the
19 important thing is to know about -- I'm sure that if
20 a situation came up, and they do every day in our work,
21 that there is a crisis situation with somebody and he
22 just phones in in the morning or he knows he'd going
23 to be away next week, we can gear in replacements.
24 Fortunately, the critical ones are highly skilled areas
25 and I don't think it will present too much of a problem.
26 You know, it's -- I don't know whether I answered your
27 question. I think that it has to be longer periods
28 than you're thinking. You're thinking two weeks on
29 and a week off or something. It can't though, that
30 pipeline will never be built under those conditions.

You have to work when the weather's good and when it's cold and get it in if you're going across muskeg areas and you just have to work seven days a week. But fortunately, normally most pipeline contractors shut down during Christmas and there's question whether, you know, January will be a workable month or not, and so I think it'll work itself out that there is a break and of course there's spring break-up and we can't do much there, so there are natural breaking points. The only one is from maybe June until October when you're maybe -- you're working in the southern areas where it isn't that important that you get long periods of break.

Q Isn't one of the problems though, with that that the men are going to make their own breaks, isn't that what happened in Alaska, they will quit and then hire on again, either on another spread or on the same spread later on if they find the work period too long?

A Well, I'm not familiar with what happened in Alaska and what hearsay is and from what I hear, you know, some of the things I wouldn't like to repeat. You know, I don't think Canada can afford that sort of cost.

Q But that is a kind of
problem that you could run into, is that something that --

A Well, it's always a type of / problem you could run into it at any construction job.

Q So you want to make a

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 work schedule that people can live with without resigning
2 or quitting?

3 A Well, that's right and
4 I think that we've done -- we've looked into that on
5 our northern, in our agreement for northern work. It
6 recognizes that. Those that want to stay, there's an
7 incentive for them to stay and this is the sort of thing
8 that will have to be written in this, renegotiated under
9 new agreement. It's taking that into consideration.

10 Q Now, I take it, Mr. Nessel,
11 when you were answering one of the questions that Mr.
12 Steeves asked you about -- you stated that people on
13 a project, I believe it was in British Columbia, were
14 able to pay their union dues out of their salaries by
15 automatic payroll deduction. Is that something your
16 union would be prepared to see with regard to people
17 who might not have the funds to join the union in the
18 north in this project?

19 WITNESS NESSEL: Well, they're
20 no different there than the guys down on the St. Mary's
21 Dam or the guy over in Labrador or where ever it might
22 be. You know, you can't get blood out of a stone.
23 if
24 Some old chemist would say that you can, but/the guy
25 doesn't have the bucks.

26 First of all the agreement,
27 the Pipeline Agreement provides for the automatic check-
28 off of union dues from all employees. That's automatically
29 deducted from their pay. So, they're paying dues from
30 the day they go on the job. Now then, their initiation
31 fee, whatever it might be in the case of a labourer,

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 \$50.00 or \$100.00 or to \$400.00, whatever it might be,
2 that has to be accommodated by payroll deduction.

3 So, that's really no problem.

4 Q So you're prepared to see
5 that it doesn't have to be paid in advance?

6 A Yes, we do that all over
7 the country.

8 MR. STEEVES: Just like
9 Simpson Sears.

10 A That's right, the only
11 thing is we don't charge them 18 percent interest.

12 MR. BAYLY: What do you do,
13 by the way, about the man who joins with automatic
14 payroll deduction and quits before he's paid off?

15 A He just disappears, we've
16 got his dues. You know, in our situation, in the case
17 of the operating engineers, he works on the permit
18 system and pays his regular union dues for three months.

19 Now, at the end of that third
20 month he's approached by the steward and his application
21 for membership is taken and he signs a cheque off for
22 his initiation fee, so that it's really the beginning of
23 the fourth month that his initiation fee is deducted.

24 Q All right.

25 A Now if he disappears
26 before that, that's the way it goes.

27 Q Fine.

28 A He's paid his dues anyway.

29 Q This doesn't occur until
30 the fourth month.

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Elroi
Cross-Exam by Bayly

1 A No, it doesn't occur
2 that often.

3 Q Now on page --

4 A Now I should caution
5 you that that's not the procedure with every building
6 trade union or with the other three, that's the way
7 it is in the operating engineers, the labourers maybe
8 approach it different.

9 Q Oh, I see. Is that the
10 case, Mr. Whiteford, with regard to the Teamsters?

11 WITNESS WHITEFORD: If he
12 joins the union he is a member, entitled to all benefits
13 as a member and if he leaves the job and his money
14 is deducted he can still continue to pay on his own.
15 If he decides that he doesn't want to pay and he dis-
16 appears, well, that's it.

17 WITNESS NESSEL: No, but that's
18 afterwards, he's asking about what happens when he goes,
19 have you got a probationary period?

20 WITNESS WHITEFORD: No.

21 WITNESS NESSEL: He just pays
22 his initiation fee right off the bat.

23 WITNESS WHITEFORD: Right.

24 WITNESS NESSEL: But it's
25 payroll deducted.

26 WITNESS WHITEFORD: That's

27 right.

28 MR. BAYLY: Thanks Mr. Nessel.

29 WITNESS NESSEL: I'll send
30 you my fee.

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 MR. BAYLY: I'll let you have
2 some of my salary for the day.

3 Sorry, is that the case with
4 the pipefitters, Mr. St. Eloi?

5 THE COMMISSIONER: Is it the
6 same as the teamsters?

7 WITNESS ST. ELOI: Well, I
8 didn't understand the joke, but all right.

9 WITNESS WHITEFORD: Do I have
10 to clarify what I said?

11 THE COMMISSIONER: Let's see,
12 let's see what Mr. St. Eloi says.

13 WITNESS ST. ELOI: Well, if
14 they're on a job for three months they're adaptable
15 they want to stay with the industry, we'll take him
16 in the membership.

17 MR. BAYLY: They do have that
18 three month --

19 A I'm talking about
20 pipeline.

21 Q Yes, they do have that
22 three month probationary period though?

23 A We won't take them in
24 unless they do.

25 Q Yes.

26 A It's no good taking
27 someone in if he's not even interested in sticking
28 with the industry.

29 THE COMMISSIONER: Yes, one
30 thing that wasn't clear to me about the Teamsters, maybe

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1 you could answer it for the pipefitters. After three
2 months the guy signs his application card and so on,
3 the initiation fee, is that deducted in segments over
4 the next --

5 A It depends on which
6 of our local unions, they all have different due struc-
7 tures and initiation fees, if it's a low initiation
8 fee we generally have it deducted in the one--

9 Q Oh, I see.

10 A -- on the one paycheque.
11 If it's high, like there's a difference in Vancouver
12 and Edmonton, and of course our organization, Vancouver
13 has jurisdiction in the Territories a major portion
14 of this as far as pipeline is concerned, whereas the
15 station work is under the jurisdiction of Edmonton,
16 but their due structures are different.

17 If it's large enough, this
18 is a subject that can be negotiated as long as it's fair
19 and equitable, there's no problem there.

20 MR. BAYLY: Well, Mr. St. Eloi,
21 we've been told that there may be a four to five month
22 construction period per year. Now, the problem this
23 presents in my mind is this, let's assume it's a four
24 month construction period in the winter time. A man
25 doesn't pay dues for three months and then for his
26 last month he has to pay his initiation fee. Is that
27 the way I understand it?

28 A No. I don't really
29 understand your question although --

30 Q Let me clarify it then

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Cross-Exam by Bayly

1 because I don't want you to answer a question that
2 you don't understand.

3 A All right.

4 Q The job may start in
5 November, or it may not start until January, depending
6 on which applicant gets the go ahead. It's only winter
7 construction so we're looking at a job that lasts perhaps
8 the month of December, January, February, March or
9 just January, February and March, maybe into April.
10 If a person is joining the union, your union, he has
11 a three month probationary period and then he works
12 for one month before the job is over for the year.

13 A He's going to pay the
14 initiation fee the same as anybody else.

15 Q And what is that initiation
16 fee?

17 A Well, it varies. I'm
18 not sure the amount in Vancouver. Here again --

19 Q Tell us how much it is
20 in Vancouver then.

21 A I believe it's a hundred
22 dollars. It used to be, I don't know what it is right
23 now. I don't know what it is in Edmonton.

24 Q What does it vary from
25 to? From a hundred up?

26 A Well, we have 67 local
27 unions in Canada and they all - - we're all different
28 so, some of them are \$25.00 and another might be \$200.00.

29 THE COMMISSIONER: Well, that's
30 the range, sir, we're not talking about \$500.00 or

Whiteford, Nessel,
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Cross-Exam by Bayly

1 anything like that?

2 A No.

3 WITNESS HODSON: Mr. Commissioner,
4 it appears to me that the amounts of the initiation
5 fees and dues that may now be established by various
6 collective agreements elsewhere in Canada may really
7 be academic in terms of this project.

8 WITNESS ST. ELOI: That's
9 right.

10 WITNESS HODSON:
Because in our presentation
11 to you this morning we stated that we expect there
12 will be a project agreement negotiated that will
13 stipulate the conditions under which northern residents
14 will become members and whatever those conditions are,
15 will permit the deduction of fees and dues by payroll
16 deduction. So, we really can't -- I don't think we
17 can give a proper answer on what those conditions will
18 be at this time.

19 Q All of that -- you can
20 provide by agreement the payroll deduction of the
21 initiation fees and membership dues, but it's up to
22 the union itself to set out -- set down what the dues
23 and the fees are going to be and that's why we're
24 pursuing this for the moment. You can't have the
25 Government of Canada or this Inquiry saying how much
26 you got to pay to get into the union, that's all.
27 At least up to this point.

28 WITNESS ST. ELOI: This
29 could be a subject -- excuse me, Mr. Commissioner, but
30 it could be a subject in the negotiations. I don't

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Cross-Exam by Bayly

1 think that's a contentious issue as far as the unions
2 are concerned. Something that's fair and reasonable
3 can be worked out.

4 Q Okay, Mr. Whiteford.

5 WITNESS WHITEFORD: I just
6 want to clarify for the benefit of the fellow over here
7 that you know the reason I was a little evasive, I
8 wasn't trying to be, as far as we're concerned when a
9 person is requested on a pipeline he has to be a member
10 and if he's not a member, then he becomes a member
11 before he goes on the job and the reason why that we
12 sign them up is there's no probationary period, we
13 got rolling stock. These people have to be licenced
14 and know how to operate this equipment, so therefore,
15 as long as he's qualified, we sign him up in the union
16 and send it. If he's not qualified to perform the job
17 he doesn't become a member, it's that simple.

18 Q So, there's no probationary
19 period.

20 A There can't be a pro-
21 bationary period.

22 MR. BAYLY: And you're in the
23 same position are you, as Mr. St. Eloi that you would
24 say that the arrangements with regard to joining the
25 union for northern residents will be something that
26 will be worked out in the contract?

27
28
29
30

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Cross-Exam by Bayly

1 A As long as it conforms
2 with the bylaws of the local union that has the
3 jurisdiction.

4 Q Okay, let me turn to
5 another matter then. On page seven of your presentation,
6 Mr. Hodson, you refer to an invitation to the Committee
7 for Original People's Entitlement to meet with this
8 Council. Would you correct me if I'm wrong, but as I
9 understand it, your invitation, as you call it, was in
10 response to the letter sent to your Association as well
11 as to the pipeline unions which are represented on
12 this panel by the Committee for Original People's
13 Entitlement expressing their concerns and asking a
14 number of questions of the unions. Is that correct?

15 WITNESS HODSON: The letter
16 of Mr. Raddi is the 19th of December.

17 WITNESS NESSEL: Letter from
18 Mr. Raddi, yes.

19 MR. BAYLY: Is that correct?

20 WITNESS HODSON: The letter
21 that you refer to is addressed to the four pipeline
22 craft unions as I recall. I don't believe there was
23 a letter directly to the Association from Mr. Raddi.

24 In any event, Mr. Raddi's
25 letter was discussed at a regular meeting of this
26 Council and we decided that rather than each individual
27 union or for that matter the Association trying to
28 respond to Mr. Raddi, we would try to get a consensus
29 of opinion to express to Mr. Raddi on behalf of all the
30 people involved.

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1 I was instructed to write to
2 Mr. Raddi and suggest that the better way of handling
3 it in answering the questions he had put in his
4 letters to the unions would be to meet with him or
5 this Council to meet with him and other interested
6 native groups to have a frank discussion on all of
7 these problems.

8 Mr. Raddi responded and said
9 he thought it was a good idea but for the present he
10 couldn't see the time available and we expected that
11 we would have this meeting somewhere down the road.

12 Q In fact, letters went
13 out from various unions expressing an interest in Mr.
14 Raddi's concerns. Is that correct?

15 WITNESS NESSEL: Would you
16 repeat the question again? I didn't understand.

17 MR. BAYLY: Not just the
18 Pipeline Advisory Council but a number of the unions
19 themselves responded and I think most of them sent copies
20 of their letters to you, Mr. Nessel.

21 A I responded to the
22 letter through the Association. I don't know whether
23 that--I think I made copies of that letter available
24 to some people down the road. I have a copy of that
25 letter here if it's of interest.

26 Q Some of the things that
27 were raised in Mr. Raddi's letter to the Council and
28 to the unions I'd like to ask you about and I've
29 provided you all with copies of that letter and a copy
30 for all the participants of the Inquiry. Now, on page

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two of the letter to the Council, to the pipeline unions involved, and to the unions, there was a concern expressed about the work camps. The applicants, that is Arctic Gas and Foothills have stated that workers in the camps would be housed in self-contained camps away from the communities and interaction with these communities would be restricted as much as possible.

Now, what is the position first of all of the Council and then of the various unions involved with regard to this? Would you agree to an absolute prohibition of construction personnel visiting Northern communities, including Inuvik, after working hours or during rest and relaxation? Mr. Hodson

WITNESS HODSON: I don't think we've reached a consensus on the thing. I know what the situation was on the ~~DFW~~ line. The terms of the Collective Agreement provided for no fraternization and we know that there was fraternization went on. In fact, there was a famous court case over the fellow that married the native girl and that became a very famous court case on the operation of the thing.

We don't, I don't think, have any particular policy on it except that, you know, the very nature of the beast I think is going to take the construction camps away quite a ways from the inhabited areas, you know, from the settlements. Our members, once they reach either their termination or their-- what's referred to as R & R, the rest and relaxation period or rotation leave, as we call it, they will be going back to Edmonton and they won't be stopping off.

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Cross-Exam by Bayly

1 They might stop at Yellowknife
2 but I'm sure that the arrangements will be and certainly
3 I will insist as far as the operating engineers are
4 concerned, is that the southerner who is hired at the
5 staging area in Edmonton is returning to the staging
6 area in Edmonton, either when he's terminated for cause,
7 and that's a requirement, or if he chooses to quit, he
8 goes back to Edmonton. Unless he wants to walk he's
9 going back to Edmonton.

10 Q All right. So, with that
11 exception and that is if he was willing to walk into
12 Inuvik or Fort Simpson, I don't think you could ever stop
13 a person from doing that. Now, Mr. Whiteford, how does
14 your union feel about this requirement that people not
15 interact with the communities as was suggested by the
16 applicant?

17 WITNESS WHITEFORD: You mean
18 like a townsite?

19 MR. BAYLY: Yes.

20 A Or a native village? Which
21 are you asking?

22 Q Well, let's do both. Let's
23 start with the townsite first.

24 MR. STEEVES: Excuse me. Arctic
25 Gas has not suggested that as to three of the larger
26 communities.

27 WITNESS WHITEFORD: Well, if you
28 are asking about do we agree that the construction workers
29 should not, after working hours, go into a native village,
30 if that's the wish of the Chief or the natives themselves,

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1 then that's the rules that are laid down and we will say
2 that they should abide by it. But as far as I'm concerned,
3 as a Canadian, that if there is a community in the
4 Northwest Territories or anywhere else in Canada, there
5 isn't anybody going to tell me I can't go and I for one,
6 as a union representative, don't feel that I have the
7 authority to tell anyone where they can go and where they
8 cannot go.

9 MR. BAYLY: Then I see you're
10 nodding or shaking your head, Mr. Nessel. Do you agree
11 with that?

12 WITNESS NESSEL: Yes, I have
13 to agree with the philosophy. I don't think that you
14 could restrict someone from after hours conducting himself
15 as any other Canadian would.

16 THE COMMISSIONER: You say that's
17 not his employer's business and it's not his union's
18 business?

19 A That's right. You know,
20 to the extent that there be non-fraternization in the
21 Indian areas and Metis settlements and so on and so
22 forth. Again, as Joe has indicated, we've had these
23 situations put to us by the Chiefs and the Councillors
24 in the band area and they said look, we don't want those
25 guys in there. For the purposes of that job, on, during
26 construction period and after hours, they were persona non grata

27 They just--if they went there they knew that
28 it was cause for dismissal but those are job rules that
29 are drawn up well ahead of time.

30 The guy gets a copy of them and

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1 he's oriented--orientated, I guess is the proper word,
2 at the time that he's hired. He knows what the rules
3 are before he goes and if he chooses to violate them,
4 he just gets run off.

5 MR. BAYLY: Now, Foothills has
6 suggested that perhaps workers would be moved directly
7 from the Inuvik Airport out to camps without coming into
8 the community. Would you say that that is unduly
9 restrictive?

10 WITNESS WHITEFORD: I would.
11 I certainly would.

12 WITNESS NESSEL: It's a public
13 airport, isn't it?

14 Q Well, certainly. Mr.
15 St. Eloi?

16 WITNESS ST. ELOI: I'm against any
17 restrictions on the Canadian public at all. I think
18 that they should be treated equally. Personally I'm
19 not an expert in this type of problem in the North and
20 I don't pretend to give you any intelligent answers on
21 it. Certainly if the client and the contractor or the
22 people with authority sets up some rules, then we'll
23 encourage our people to abide by the rules. But to
24 place any undue restrictions on them, I don't think it's
25 right.

26 Q Now, how about you, Mr.
27 Dyck?

28 WITNESS DYCK: Well, it would
29 be awful hard for me to say that we would send them
30 back. Some of our people could be coming up here who are

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1 native people and for us to tell them--we could have a
2 whole bunch of native or Metis people coming up here and
3 I don't think we'd get very far if we started telling
4 them where they should go on their time off.

5 Q Now, one of the other
6 concerns is with regard to an absolute prohibition on
7 fishing, hunting and trapping by construction personnel.
8 Would you agree to that? I'll start with you, Mr.
9 Whiteford, if I could.

10 WITNESS WHITEFORD: I definitely
11 don't think that anybody has the right to restrict a
12 Canadian citizen providing he's properly licensed to
13 fish or hunt anywhere in Canada, whether it's Southern
14 Canada or Northern Canada.

15 Q All right. Now, Mr.
16 Nessel?

17 A Not on the
18 reserve. Is that what you're talking about?

19 Q We don't have any of those.

20 A We already know that.

21 Q But apart from that?

22 A No. Anywhere in Canada
23 if you can license yourself and you're qualified to
24 fish and hunt, I agree.

25 WITNESS NESSEL: It should be
26 pointed out that our camp rules, as far as northern
27 conditions are required, no firearms.

28 Q I'll be getting to that
29 as well.

30 A No firearms.

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Cross-Exam by Bayly

1 WITNESS WHITEFORD: Are you
2 talking about within the construction area?

3 Q No, I'm talking about--

4 WITNESS NESSEL: He just said
5 our guys will not take firearms into the camp. They are
6 not permitted.

7 Q But are you with Mr.
8 Whiteford, in not being prepared to agree that personnel
9 working on the pipeline should be restricted in hunting,
10 fishing and trapping off the job site?

11 WITNESS WHITEFORD: What they
12 do off the job site is fine but they aren't going to have
13 guns in camp. I don't know how they are going to hunt.
14 They could leave their guns in town and get it to go
15 hunting.

16 WITNESS NESSEL: That's fair
17 ball but you're not going to have a gun in camp.

18 Q What about fishing lines,
19 Mr. Nessel?

20 A Well, our experience with
21 the construction areas and even we've been in the parks
22 where they have got some areas pretty well restricted
23 to fishing and from the fishing point of view, as far
24 as the construction worker is concerned, it's purely
25 recreational. We've had no restrictions and we've
26 had no problems with it.

27 He doesn't
28 eat them anyway. He gets all he wants to eat in camp.
29 So, he's not fishing for food. I'm being serious here.
30 You know, he's not fishing for food in the sense of the

Whiteford, Nessel, Hodson
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Cross-Exam by Bayly

1
2 A We haven't found it
3 necessary. There's no guns permitted in any construction
4 camp, you know, in the isolated areas. We don't have
5 any problem with it. We haven't had the frisking
6 situation but if the guy had, you know, if he happens
7 to go through and the security people find him with a
8 gun, he goes home.

9 Q All right, so if it came
10 to that and what I'm concerned with is would you be
11 grieving about somebody being searched?

12 A No, I don't -- again it's
13 an established camp rule. You know, assuming that it is
14 an established camp rule, our members know about it
15 ahead of time. They know what the situation is.

16 Q Mr. Whiteford, are you
17 in agreement with Mr. Nessel on that?

18 WITNESS WHITEFORD: I don't
19 quite understand your question to start off with.
20 First of all, we are talking about natives working on
21 the job site. We're talking about southern Canadians
22 working on the job site and your question seems to me
23 like we have two cannons.

24 As far as I'm concerned
25 if a man comes up to go to work in the north and he
26 lands at a town like let's say this town we're in here
27 and there's a camp out of town and it says that there
28 will be no firearms within the camp limits and he has
29 a brother or sister or a friend here and he likes
30 hunting so he knows the hunting season is coming up

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1 so he brings his rifle and his permit and everything
2 else and leaves it here in Yellowknife. He goes out
3 to the campsite and he hasn't violated the camp rule
4 so on a weekend he comes in and he gets his rifle and
5 he rents a car or he has a car and he goes out and
6 hunts like any other Canadian does, what's the question?
7 I don't get it. He's already told and in southern
8 Canada we have restrictions that say you will not have
9 firearms in camp so our people don't do it.

10 Q Here's the question,
11 Mr. Whiteford. If there's a rule that he can't have
12 guns in camp and he is searched, is your union going
13 to object to his being searched for guns?

14 A I'm going to object to
15 him being searched unless they have a reason to believe
16 that he has a firearm. If he is searched and he hasn't
17 got a firearm, what's the point? We don't go around
18 searching people that go into camp. I never heard of
19 it. I have never heard of it before until I got here.

20 Q Well --

21 THE COMMISSIONER: I think that
22 question may come up again in connection with another
23 commodity that --

24 MR. BAYLY: Oh yes, let's go
25 into that while we're --

26 A Are you talking about
27 grass or something?

28 THE COMMISSIONER: No, that's
29 illegal.

30 MR. BAYLY: If there was a --

Whiteford, Nessel, Hodson
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Cross-Exam by Bayly

1
2 THE COMMISSIONER: Excuse me,
3 Mr. Bayly, could I just put an end to this discussion
4 about hunting and fishing? Your hypothetical case that
5 the man leaves his gun with his brother-in-law in
6 Yellowknife, that's none of your business.

7 A Right.

8 Q I mean isn't that the
9 size of it?

10 A Exactly.

11 Q You see that's where --
12 I don't think **that** particular ^{line} of questioning gets us
13 anywhere because --

14 MR. BAYLY: I wasn't asking
15 that, Mr. Commissioner.

16 THE COMMISSIONER: No, I know.
17 I just want to say to you that if you are going to
18 pursue that, that's essentially something that bears
19 on native land claims and really not on collective
20 agreements that might be reached between unions and
21 management but anyway carry on. You're coming to
22 liquor I take it.

23 MR. BAYLY: Liquor and drugs.
24 Now, are you prepared to -- let's do Mr. Whiteford
25 and Mr. Nessel first and then we'll go to Mr. Dyck
26 and Mr. St. Eloi.

27 One of the possible
28 restrictions that the applicants would like to see on
29 people working on the pipeline is that in camps workers
30 not be in possession of liquor or drugs. How does that
fit with you., Mr. Whiteford?

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Cross-Exam by Bayly

A Well, I have never agreed with drugs but I disagree with the fact that a man should be restricted in not having liquor. I do agree that a man should not be intoxicated while on the job or in such a condition that he is obnoxious to other people within the camp. But you know there is many people that live at home that the one thing they like to do after work is come home and have a couple drinks before they have their dinner. I particularly can't see any restrictions being put on that.

Q So you would like to see a situation where a person could bring liquor into the camp and use it provided he did not do so that he was intoxicated on the job?

A Right, right, absolutely.

THE COMMISSIONER: Okay, let me ask you another question. Foothills, one of the companies that wants to build this pipeline has proposed that there be bars in the camps as a means of, I suppose, of ensuring that there isn't some kind of incentive to bring in a case of whiskey or something. If you know you can buy a drink there, you don't --

A You mean bootlegging?

Q That sort of thing, yes.

Is that something that in your experience has been tried in other camps? Would it work or is it --

A Bootlegging?

Q No, the --

A Yes, as a matter of

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Cross-Exam by Bayly

1 fact, the tar sands, I believe, is a good example. I
2 went to the tar sands and they have a cocktail lounge
3 right in the middle of the project, right in the
4 construction site and it's controlled by the company
5 and by the employees and I think it's a damn good idea.

6 MR. BAYLY: Would you be
7 prepared to see that as the only liquor supply in
8 the camp and that if there were such an outlet that
9 people not be permitted to bring in their own private
10 supplies.

11 A No.

12 Q All right. Mr. Nessel
13 do you agree with Mr. Whiteford?

14 WITNESS NESSEL: No, we
15 have tried it. We have tried to run dry camps. The
16 DEW line was a dry camp and I would like to just have
17 the interest on the money that went into the booze on
18 the DEW line illegally. It just doesn't work so you
19 might as well have control of the situation. You make
20 the camp rules again so that, you know, your freedom
21 to swing your fist ends where my nose starts and as long
22 as it is a controlled situation and the guy doesn't
23 become obnoxious with the situation, let him have his
24 booze because if you deny him, he's going to make it
25 if he has to. It's just not a workable situation to
26 try to put a real hard and fast restriction on liquor
27 outlet.

28 Q Right.

29 A Now, a controlled situation
30 is by far the best and then if the guy wants a bottle

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Cross-Exam by Bayly

1 under his pillow to keep him company, that's his
2 business.

3 Q All right, Mr. Dyck, do
4 you feel the same way or do you have some other
5 thoughts on the matter?

6 WITNESS DYCK: I think if
7 you have a liquor store or a liquor bar -- a bar on
8 the job where people can get a drink if they want it,
9 or two, on a controlled way, I think that would be
10 adequate. I don't think they need to bring it in but
11 I do think if there isn't one, I think they should
12 be allowed to bring it in because the company's
13 camp rules state that if a man is intoxicated on the
14 job during working hours, he is terminated and there is
15 no question about that.

16 Q Mr. St. Eloi?

17 WITNESS ST. ELOI: I can only
18 speak through the experience that we've had and cite
19 as an example perhaps the AlCan project, Camp 5, there
20 was over 6,000 people there and I worked there.

21 THE COMMISSIONER: Do you mean
22 the Alaska Highway?

23 A No, the AlCan project,
24 Kitimat-Kemano.

25 Q Oh, Kitimat.

26 A It's the AlCan project.

27 Q Aluminum Company of
28 Canada.

29 A Aluminum Company of Canada,
30 yes, that was --

Whiteford, Nessel, Hodson
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Cross-Exam by Bayly

1 Q So earlier when you said
2 AlCan you meant Kitimat?

3 A Yes, well I know there's
4 a new application in for that other pipeline and I'm
5 sorry I should have clarified that.

6 Q The Alaska Highway is
7 what we call Alcan here.

8 A I'm sorry I never
9 clarified that Mr. Commissioner. Anyway the experience
10 that we've had -- as I say, it was a big camp with
11 over 6,000 people in Camp 5 on the AlCan project at
12 Kemano.

13 Q Building the powerhouse.

14 A Building the powerhouse
15 and the tunnel facilities and so on, transmission lines,
16 everything that went with the project. It was a dry
17 camp and I was shop steward up on that particular job
18 and it just never worked out. Everybody, every weekend
19 there was 30 or 40 people fired for being drunk and
20 there were more bootleggers than I have ever seen in
21 my life and it just never worked out.

22 I'm convinced of that and
23 I think if a liquor store is available that everyone
24 including the native people, everybody else should
25 be able to purchase what they want the same as
26 everywhere else.

27 Q Should there be a liquor
28 store in camp then, do you think?

29 A And as I say I'm not
30 qualified on a lot of the things that occur in the north

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1 but from our experience, we feel that liquor should be
2 made available if anyone wants it.

3 MR. BAYLY:

4 Q Do you feel there should
5 be a liquor store in the camp itself?

6 A Not right in the camp,
7 no. I wouldn't say that.

8 Q Right. What about the
9 liquor outlet in the Foothills plan that -- with a
10 cocktail lounge in the camp?

11 A Well, I really don't see
12 anything wrong with that.

13 Q All right, now, let's
14 start with -- while we're still with you -- what about
15 the problem of drugs, people bringing drugs into the
16 camp. What's the position of your union on that?

17 A Well, we're certainly
18 opposed to it.

19 Q Would you be prepared to
20 have your people searched if the security people had
21 reason to believe they had drugs?

22 A No, we'd object to our
23 people being searched. It's never happened in the
24 construction industry and unless there's good reason
25 or if they are found with drugs or they are not abiding
26 by the camp rules, they should be fired and we won't
27 support any complaints they have got as far as
28 channelling a grievance.

29 Q Mr. Dyck, what's the
30 position of your union?

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Cross-Exam by Bayly

1
2 THE COMMISSIONER: Excuse me,
3 Mr. Nessel wanted to add something.

4 WITNESS NESSEL: Go ahead with
5 Jack.

6 MR. BAYLY: I'm going to go
7 all the way through them.

8 A Okay.

9 Q I won't leave you out.

10 WITNESS DYCK: I think that
11 if there is reason to doubt or suspect that somebody
12 has drugs in camp that they should be searched and
13 fired if they find them but I don't think they should
14 just unilaterally go ahead and do it but if there's
15 any question that they might have it by their action
16 and so on, I'm very much opposed to any type of
17 drugs of any kind.

18 THE COMMISSIONER: Essentially
19 you gentlemen are saying what the Criminal Code says,
20 you can be searched for reasonable cause. No, I'm
21 not -- I think it is a reasonable stand to take.

22 MR. BAYLY: Would you be
23 prepared to have that searching done by the camp
24 security personnel or only by the peace officers?

25 A Basically the stand
26 that we've taken all the time and it should be something
27 that's qualified and we claim that most of the people
28 or the ones that are qualified are R.C.M.P. Some of
29 the camp securities that we've seen, I wouldn't let
30 them search a dog.

Whiteford, Nessel, Hodson
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Q What is your posit

on that, Mr. Nessel?

WITNESS NESSEL: Yes, I was
going to comment on that. The situation of drugs in
our particular trade, in the operating engineering
trade has gotten to be a problem.

It's pretty easy to know
when a guy is snapped up on booze because you can smell
it or whatever and the foreman will herd him into the
bunkhouse and try to get by. But some of the people
that high on drugs become a hazard on the job in that
they just can't control and operate the machines
safely and effectively. It is so severe in our case
that we feel that the authorities that have the proper
authority can deal with it and the police authority
throughout Canada have all the authority that they need
as far as illegal use of drugs is concerned and we
cooperate with them 100%.

Whiteford, Nessel, Hodson
Marriott, Dyck, St. Eloi
Cross-Exam by Bayly

1 THE COMMISSIONER: So you're --

2 A The one

3 you can't prove say no drugs, no liquor. Number two, if
4 a search is necessary, they go through the same procedure
5 at that camp as if that guy was at home. That's his home.
6 Don't go searching without a warrant.

7 Q Well, Mr.

8 Nessel leave the warrant out of it, because that's not
9 quite the -- let me, your saying that the only person who
10 has any right to search the employee is a law-enforcement
11 officer appointed by the Crown and not an employee of a
12 private agency working for the employer. As if that's --

13 A I would object to that
14 because, you know, they go on witch hunts from time to
15 time as we all know. That's been our experience -- I'm
16 talking from experience, now. The employer's security
17 people have the right to enforce the camp rules as the
18 are posted. They don't have the right to conduct searches.
19 We object to that. If a search is necessary, let them go
20 and get the proper authority. Let the security people
21 call in the proper policing authority.

22 MR. BAYLY: Mr. Whiteford?

23 WITNESS WHITEFORD: Well, as
24 far as I am concerned I covered construction now for about
25 26 years and I have been in some pretty big projects. I've
26 got to say this, that I agree that the only people that
27 are allowed to search, as far as we are concerned, is the
28 RCMP or whatever Crown authority there is, because really
29 I think we all understand that every large construction
30 project that I have ever been on, if you want to

Whiteford, Nessel, Hodson
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Cross-Exam by Bayly

1 really know, that there is at least 30 or 40 employees
2 on the job who are RCMP. There is enough of them there
3 to take care of those problems any time, I can assure you.

4 MR. BAYLY: Could I turn to
5 another concern that was expressed in this letter. On
6 page four of the letter some questions were asked with
7 regard to hiring halls. The concern that COPE expressed
8 was whether hiring halls should remain in the South,
9 whether they should be in the North or whether there
10 should be a system or could be a system in the view of
11 the unions, in which people in small, remote communities
12 could participate through union membership without going
13 to a hiring hall in Inuvik or Fort Simpson or Hay River
14 where they might have to wait around for a few days. Could
15 we start with you, Mr. Witeford?

16 A Well we
17 operate hiring halls in four centres in southern Canada
18 and we find that it's easier to dispatch people through
19 those halls regardless of where they live. We have been
20 dispatching people, for instance, out of Vancouver and
21 Kelowna in British Columbia, in the Northwest --
22 not the Northwest Territories, the Yukon, northern
23 British Columbia and have no problem. They don't have
24 to report to the hall. We either phone them or send
25 them a telegram which acts as their clearance to the job
26 site, and it works.

27 Q And you would be prepared
28 to extend that in some communities to using Telex or
29 radiophone?

30 A That's right. We will do

Whiteford, Nessel, Hodson
Marriott, Dyck, St. Eloi
Cross-Exam by Bayly

1 the same here in the Northwest Territories and if it gets
2 to the point it is necessary to have a hiring hall in
3 the Northwest Territories, we will have.

4 Q That answers
5 my question. Mr. Nessel, how do you feel about that?

6 WITNESS NESSEL: The
7 philosophy as what Mr. Whiteford has expressed, the
8 hiring halls in Edmonton, Calgary -- you know, we have
9 in our structure in the Operating Engineers is we have
10 one Local per province with an extension into the
11 Territories, you know, as for that Territory's jurisdiction.
12 In the case of the Northwest Territories that comes under
13 Alberta's Local 955 which I am a member. The dispatch
14 point is Edmonton and Calgary, ^{as the case may be.} Clearances are arranged
15 through Telex, through mail, telephone, whatever, for the
16 employment of local residents. With one exception,
17 with one exception and that's on the Syncrude project
18 agreement of the present time. Everybody is dispatched
19 out of Edmonton for all trades. There are no on job
20 dispatches.

21 Q. No...?

22 A There are no on site
23 dispatches, I said.

24 Q So a person living in
25 Fort McMurray would have to go to Edmonton?

26 A Yes. They do as far
27 as Operating Engineers are concerned. But, you know,
28 they're all doing this so it's no problem.

29 Q I understand that there
30 is no problem getting there?

Whiteford, Nessel, Hodson,
Marriott, Dyck, St. Eloi
Cross-Exam by Bayly

1 A No.

2 Q Mr. Dyck?

3 THE COMMISSIONER: You only
4 WITNESS WHITEFORD:
have to go once. He only has to go the first time

5 MR. BAYLY:

6 Q If he is laid off or
if he terminates he --

7 A If he quits or is
8 discharged for cause then he is back to square one. But
9 if he is laid off, seasonal layoff so on and so forth
10 then it's accomodated.

11 Q I understand.
12 Mr. Dyck?

13 WITNESS DYCK: At Fort
14 McMurray any of the local people we have dispatched
15 over seven hundred, I think, since 1974 to that project,
16 which I would say 85 or 90 percent are native or Metis
17 and they have not come to Edmonton. /They're
dispatched directly
18 from Fort McMurray. Even through Native Outreach or
19 through one of my business agents that's up there full
20 time. We would do the same thing up here. They would
21 not have to come in. We would either work together with
22 the Native Outreach people and have them stay at home
23 until such a time they were avail -- or were needed
24 and we would contact them somewhere or other. They
25 could come out to the project and the business agent
26 would sign them up. They would not have to come to
27 a union hall.

28 Q Mr. St. Eloi
29 what's the policy of your union?

30 WITNESS ST. ELOI: Well, for

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Cross-Exam by Bayly

1 estimating purposes and cost factors I'm assuming the
2 contractor would want to establish a central recruiting
3 point such as been discussed in Edmonton. Certainly it
4 makes sense. So, within the framework of that cost, take
5 Edmonton as an example, we would want -- we would like
6 to negotiate in the agreement something that would re-
7 imburse the people of the North for the transportation
8 cost from their community to the job site. Providing
9 it is within the frameworks of that cost. Something
10 that's reasonable. Certainly is, I think in my presenta-
11 tion there we are well prepared to set up a telex system
12 in co-operation with the government if they choose to do
13 so. We have a communication system which we are used to.

14 We have telexes in all our
15 locals, all our large locals. I don't really contemplate
16 it being a problem. Certainly we agree to co-operate
17 with the successful client and the native people or
18 whatever other authority there is in the north to work
19 out some reasonable system.

20 Q With regards to the
21 waiting period, you are prepared to have it longer than
22 48 hours, the reporting period?

23 A I think that there could
24 be some reasonable approach taken to that, particularly
25 on the plant construction. It's not as critical as what
26 it would be on the pipeline. As was pointed out, there
27 was some critical factors that you could tie up--very
28 costly, to tie up the project, you know, if someone is
29 late when they're expected. I don't see too much of a
30

1 problem.

2 Q Mr. Marriott, how would
3 that sit with you? Are you concerned with having
4 a longer than 48 hour reporting time as a representative
5 of the contractors?

6 WITNESS MARRIOTT: On initial
7 hire, I think this could be worked out. We'd like 48
8 hours. We have to accept the fact that there's vast
9 distances involved in this project. You can't overlook
10 the fact that it's physically impossible sometimes for
11 people to get on the job before 48 hours. Initial hire,
12 I don't think it would be a problem to be worked out.
13 We'd like to hold it down because of the fact.

14 Q You'd like to hold it down
15 as much as possible?

16 A Yes, 48 hours is, you know,
17 most of the people would be able to get there but there'd
18 be the exceptions. There's no doubt.

19 Q Now, one of the other
20 concerns in this letter was with regard to the inflation
21 problems that may result from high wages and I take it
22 that the Council members recognize that one of the
23 incentives to Northern Construction is to provide long
24 hours of work and high wages so that people will be
25 attracted to it? Am I correct in that, Mr. Hodson?

26 WITNESS HODSON: Yes, I believe
27 that's a correct assumption.

28 Q You're acquainted with the
29 concern that Mr. Raddi expressed with regard to the
30 effect this might have on people who are not involved in

1 pipeline construction and on the price of goods in the
2 local areas.

3 A Well, it's sometime since
4 I had reference to that section of his letter.

5 Q All right. Let me just
6 suggest to you that high wages in the local area may
7 cause prices to rise and may make it very difficult for
8 the person who is not working on pipeline construction
9 to compete for goods and food items or whatever. The
10 prices are going to go up.

11 Now, is the Pipeline Advisory
12 Council or are the unions prepared to look at a system
13 of more competitive wages and long hours or are the
14 high wages, higher than the south, requirement to get
15 people into this country to do the work?

16 WITNESS NESSEL: I'll take a go
17 at that one. We can appreciate the concerns expressed
18 by Mr. Raddi but we are not going to compromise our
19 agreements. I'll say that flatly. The wages and working
20 conditions set out in there are fine throughout the
21 country and there's no intention of compromising it for
22 the sake of a few local businesses who might find their
23 employees running off to work on the pipeline. I'm
24 sure that the merchants in Sarnia had the same concerns
25 last winter.

26 That's just a fact of life.
27 The construction industry draws people because the rates
28 are higher. What people don't take into consideration
29 and we've had it happen many times, they say oh boy,
30 we're going on construction. We can make a lot of dough

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Fxam by Bayly

1 Then along comes the end of November and the normal
2 construction season and they're out of work and they're
3 liable to go at that for maybe two or three years and
4 then they go back to selling shoes. They'd far sooner
5 have the permanent income that other employment provides.

6 There's no way that we can
7 compromise our agreements just to make sure that some
8 local fish can't maintain his employees. If they want
9 to go work on the pipeline, they get the same rates and
10 conditions as everybody else and that's just one of the
11 economic facts of life in this country and people are
12 going to go wherever they think they can make the best
13 deal and we're not going to put any stumbling blocks in
14 her way. In fact, we are going to encourage it.

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Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

Q Is that the position
that your union takes as well, Mr. Whiteford?

WITNESS NESSEL: I'm sorry,
say again?

Q I was just asking if
Mr. Whiteford agrees.

WITNESS WHITEFORD: I just
finished paying my hotel bill and as far as I'm con-
cerned I don't know, I think that the cost of living
up here is a lot worse than it is in southern Canada
and I think it's about time that the local people
got an increase in wages, and therefore I can only say
that we're sure not going to take any cuts in what
we've already established to subsidize some of the
local people up here.

I'm for the working man and
I think what he can get and what we can get for him,
we're going to do it.

Q Fine, and you're bearing
in mind that a large portion of the workers are not
going to be living up here as such because they're
going to have their room and board provided.

A That's right.

Q And they'll be flying
out to southern Canada where the prices aren't so high.

A I also hope that, now
that you've asked that question that after the pipeline
is over that that won't be the end of unionism in the
Northwest Territories. We might continue to keep on
organizing other people that should have been organized

Whiteford, Nessel,
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Cross-Exam by Bayly

1 many years ago.

2 Q Okay, Mr. Dyck.

3 THE COMMISSIONER: I don't
4 know who's interested here, it's kind of a dry well

5 WITNESS DYCK: Well there's
6 no way that under our agreement that we would give
7 some people less money than others, there's no way.

8 Q And Mr. St. Eloi?

9 WITNESS ST. ELOI: I'm inclined
10 to agree with the federal government where they give
11 a northern allowance to the Department of Highways and
12 then the National Defense. I know a lot of our people
13 that are working in Whitehorse and certainly they get
14 a northern allowance for residing because of the high
15 cost of living and other factors. And I for one would
16 be, if I'm participating or have the opportunity, I'd
17 shoot for a little higher wages than what we got in
18 the south.

19 THE COMMISSIONER: The Chamber
20 of Commerce will thank you for interceding on their
21 behalf.

22 MR. BAYLY: No, Mr. Commissioner,
23 I'm not sure they will, they represent the small
24 businessman who's probably trying to keep wages down
25 and the unions out.

26 THE COMMISSIONER: Just one
27 thing so there's no misunderstanding, the rates of
28 wages that you contemplate would be paid to workers
29 on the pipeline in all trades would be the same as are
30 paid for pipeline construction throughout Canada. The

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 high earnings come from overtime and that's what's
2 happening in Alaska, that's what you would contemplate
3 happening here.

4 WITNESS NESSEL: Sure, it's
5 going to be the same thing. We'll be working 17 hours
6 a day.

7 WITNESS HODSON: Of course
8 that's quite customary on pipeline work anywhere in
9 Canada, Mr. Commissioner, long hours and a short
10 construction season and I believe there are copies of
11 our collective agreements which cover the Territories
12 filed as exhibits. You'll find that we do have a
13 wage differential built into the collective agreement
14 for the Territories.

15 THE COMMISSIONER: You're
16 talking about a 70 hour week.

17 A No, we're speaking of
18 a wage differential for the Northwest Territories, the
19 Mackenzie District, it's 75 cents an hour higher than
20 the rate in Alberta for example.

21 Q That's your --

22 A Our existing collective
23 agreement.

24 Q I see, and you contemplate
25 that those -- that same differential would carry over
26 into a special project collective agreement?

27 A As an Association
28 representative, I had hoped so, but I'm not so sure
29 it will happen.

30 WITNESS NESSEL: We're not

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 so sure that 75 cents is enough.

2 WITNESS HODSON: That's right.

3
4 MR. BAYLY: Could I turn to
5 another subject then? One of the briefs that has been
6 received by this Inquiry is from the United Steelworkers
7 and page five of that brief with regard to native land
8 claims, the brief states, to make any decision about
9 a pipeline while land claims are still undecided would
10 be grossly unjust and Mr. St. Eloi has made a statement
11 that is similar though not quite the same, saying that
12 the pipeline should not be put into operation prior to
13 the settlement of native land claims being consummated.

14 Now, first of all, Mr. St. Eloi
15 when you say, being put into operation, do you mean that
16 it should not commence or that it should be built but
17 not operated?

18 WITNESS ST. ELOI: My interest
19 was that the construction phase be completed but the
20 line not put into operation prior to the land claims.

21 Q All right, I understand.

22 A I believe the steelworkers
23 have said that the pipeline shouldn't commence, the
24 construction. I'm not taking that position.

25 Q Yes, that's their position.

26 A I think that the time is
27 right, and the favourable factors that ^{are} before us, that
28 it's going to hurt the economy of the country, the
29 Canadian public if we don't get the pipeline built, if
30 the green light goes as quickly as possible.

EXHIBIT 110
P. 100, B.C.

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 Q All right. Mr. Dyck,
2 does your union take any position with regard to the
3 land claims?

4 WITNESS DYCK: We haven't
5 made any -- we think it should be settled to stop
6 this disruption but we haven't taken any out and out
7 stand on it.

8 Q To stop the disruption?

9 A Well, the bad feeling
10 that is going on, fighting between the government and
11 the Indian, the Metis people or whatever, but we
12 haven't taken any out and out stand on it.

13 Q Mr. Nessel, does your
14 union take any position on the land claims?

15 WITNESS NESSEL: No, as a
16 union in Canada we haven't taken a position on the land
17 claims but it makes common sense to me as an individual
18 and as a representative for our organization that that's
19 something that should be out of the way, you know,
20 because if it's not settled even before construction
21 starts and we're looking at what, a minimum of a two
22 year time frame, then obviously it doesn't look like
23 it's ever going to be settled. So, it would seem to
24 me that they should get on with the job and get it
25 settled and get it out of way and I think that they've
26 got time enough to do it.

27 Q Speaking as a man who's
28 been involved in negotiations obviously.

29 And Mr. Whiteford, does your
30 union take any position on this?

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 WITNESS WHITEFORD: Well, I
2 feel that it's ^{out of} my jurisdiction as a union representa-
3 tive, if the government and the natives haven't settled
4 it, I'm not a politician. I might have my own private
5 views and I sympathize with them, but our union is not
6 involved, not that I know of. Maybe Senator Lawson
7 might have something to say about that.

8 THE COMMISSIONER: None of
9 these men are politicians, Mr. Bayly.

10 MR. BAYLY: I have noticed
11 sir.

12 THE COMMISSIONER: That's
13 why they've obtained high office in the trade unions.

14 MR. BAYLY: Mr. St. Eloi,
15 I just have a couple of more questions, Mr. Commissioner,
16 and they're addressed to Mr. St. Eloi's brief.

17 You stated with regard to
18 first aid facilities and transportation to accommodations
19 or hospital facilities, that you thought a requirement
20 should be that there be ambulance services from the
21 camp to a decent hospital, is that correct?

22 WITNESS ST. ELOI: That's
23 right, yes.

24 Q Well, one of the concerns
25 has been that the hospitals in this Territory may not
26 be properly equipped or staffed to deal with health
27 situations that presently exist. Would you be content,
28 would your union be content with ambulance service that
29 took ill or injured camp personnel out to the south,
30 to Edmonton or to Calgary?

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 A Well, if it's a serious
2 injury I don't think that's good enough. Maybe there's
3 some wisdom in negotiating cents per hour formula to
4 pay for a qualified practitioner or doctor to be
5 available for the -- a project this size, it's very
6 foolish to think that -- where you have a serious
7 injury that you're going to -- or a serious injury,
8 pardon me, that you're going to have to fly him down
9 to Edmonton. It's just -- it's unreasonable in my
10 opinion.

11 Q All right. So if that
12 involved having to upgrade the hospital facilities
13 say in Inuvik --

14 A I think it should be
15 done, yes.

16 Q -- or Fort Simpson,
17 Yellowknife. That should be done prior to the start
18 of construction, that's what I understand.

19 A Yes.

20 Q And with regard to
21 medical facilities within the camps themselves, do
22 you see the possibility of using paramedical personnel
23 or would you like to see a qualified medical practitioner
24 attached to each construction spread camp at least?

25 A No, I don't think my
26 position is an unreasonable one. I don't see a huge
27 plant project, these compressor stations, the space
28 is limited, the number of people involved on each
29 station is limited. I don't see it as a huge oil
30 refinery or something like the power plant in we were

Whiteford, Nessel,
Hodson, Marriott,
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Cross-Exam by Bayly

1 speaking of in Kemano, the compressor stations are
2 not that large, although some of the scrubbing plants
3 that's being erected, will be erected by some of the
4 oil companies which won't come under the jurisdiction
5 of the Mackenzie Agreement if we want to call it that.
6 No I think just some reasonable service, the same as
7 we have on other construction projects. But the size
8 and nature of the job, I think that some of these
9 things should be spelled out in the agreement, so we,
10 the people that are going on a job knows exactly what
11 they're getting into when they travel to the north
12 to go to work.

13 Q And you --

14 A I'm not taking an
15 unreasonable position.

16 Q Right, and you feel
17 that the agreement should set out minimum requirements
18 of medical services available in the immediate area
19 of the camp.

20 A Yes, something that's
21 mutually acceptable and which will have to be resolved
22 during the course of the negotiations of that type
23 of an agreement.

24 Q Now, is that a view that's
25 shared by the representatives of the other unions?
26 Mr. Whiteford?

27 WITNESS WHITEFORD: Yes, I
28 feel that the pipeline, with having the proper first
29 aid equipment and the ambulances, if there's roads
30 available or helicopter or whatever is quite adequate.

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Elroi
Cross-Exam by Bayly

1 I have no idea of your question regarding what the
2 medical services in this country is like, but I imagine
3 that it must be fairly good because it's -- there's been
4 a lot of construction going on up here for many years
5 and I don't know, do they fly the people out from the
6 mines, or do they look after them in the local areas?

7 Q Well, it depends on the
8 injury, but let's put it on this basis, if you weren't
9 satisfied with the medical facilities here, would you
10 want written into the contract guarantee that they
11 reach a certain minimum standard before you'd allow
12 your men on the job?

13 A That's right.

14 Q Mr. Nessel?

15 WITNESS NESSEL: We insist
16 on it, as far as the construction jobs are concerned.
17 We have standards established in Alberta whereby a
18 certain number of men requires a -- someone with the
19 qualifications of an R.N., from there on, you know,
20 they go on up and up and up and if they're smaller
21 jobs they have to have certified first aid people
22 and so on, they have to have ambulance service available.
23 We want to know where the closest doctor and hospital
24 is and if they can't treat them locally, then they
25 just get them in a jet and fly them to the nearest
26 facility that can treat them.

27 Q Right.

28 A So, I think that that's
29 something that can be accommodated.

30 Q All right and do you

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam By Bayly

1 share those views, Mr. Dyck?

2 WITNESS DYCK: Yes, except
3 for one thing, in the letter that Mr. Raddi said, that
4 the Eskimos have survived or had a hard life and hard
5 environment for thousands of years with very few
6 accidents and I think maybe the first thing the contractors
7 and unions should do is talk to him and see how they
8 did it to prevent the accidents and then go along with
9 the rest of them.

10 But I do think I agree with
11 what was said previously.

12 Q Now, you talked a bit
13 about working conditions, Mr. St. Eloi and have you
14 contemplated what working conditions your members are
15 prepared to put up with with regard to extremes of
16 temperature, dark and wind?

17 WITNESS ST. ELOI: Well, our
18 people have worked in the northern portion of the
19 continent and we've worked, I was born in a cold
20 area in Canada, but we've worked in northern areas
21 and we know our -- and the pipeline end of it, we've
22 established northern standards and in order to make
23 all of those involved in pipeline construction aware
24 of the problems above the 60th degree parallel and
25 we've insisted that they obtain certain types of
26 clothing and the quality of the clothing and things
27 of this nature, but as Mr. Hodson pointed out earlier,
28 or one of the panel, our people are perhaps as experienced
29 in northern type of work as anywhere in the world.
30

Whiteford, Nessel,
Hodson, Marriott,
Dyck, St. Eloi
Cross-Exam by Bayly

1 Q But are there standards
2 which have been set which say that you will not go out
3 on a job if it's colder than forty-five below?

4 A No, we have no standards
5 in the agreement to that effect.

6 Q All right.

7 A We are opposed to those
8 type of clauses in our agreement.

9 Q How would that be deter-
10 mined? Would there be a point at which the shop
11 steward on the job might say, I'm sorry, today my men
12 are not going out to work, it's too dangerous?

13 A Well, you see, the thing
14 is, where does it end? One fellow wants high pay because
15 he's so high in the air and the other fellow wants heat
16 pay and the other fellow wants dirty money because he's
17 cutting different types of pipes and maybe it's affecting
18 his breathing, I don't know. You know, if you're going
19 to be part of the construction industry, then we think
20 that you've got to accept the good potatoes with the
21 bad.

22 We've established good wage
23 rates and we expect a good days work and we try to
24 convince our people. We are opposed, at our international
25 level, we are opposed to this type of thinking. Some of
26 our contracts across Canada have clauses like that.
27 Certainly not in our national type agreement.

28 Q What I want to know, Mr.
29 St. Eloi is this, we've heard from the applicants when
30 there are going to be a certain number of days when

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Whiteford, Nessel,
Hodson, Marriott,
Pyck, St. Eloi
Cross-Exam by Rayly

1 because of conditions, the job is very likely to be shut
2 down.

3 A We have standby pay in
4 agreement. We have always had it. They have it down
5 south too.

6 Q But whose going to decide
7 that? Are you prepared to let the contractor or the
8 company decide that or do you want--

9 A We already have it in our
10 agreement. We are satisfied with it.

11 THE COMMISSIONER: Not to
12 decide the standby pay but decide when you shut down
13 because it's too cold to subject the men to the elements.
14 Right now, Mr. St. Eloi, you say the policy of the union
15 is that the contractor should determine that. You'll
16 live with his decision and collect your standby pay and
17 good luck. That's the policy.

18 A Or they can terminate him.

19 THE COMMISSIONER: Yes, if he
20 can't continue.

21 WITNESS WHITEFORD: Mr.
22 Commissioner, we've already gone through this. This
23 isn't the first pipeline. We are talking about a proper
24 pipeline. We've had people working in northern conditions
25 in Fort Nelson, Watson Lake. It's a mutual understanding
26 between the company and the workers. I mean, after all,
27 they know when they can work and when they can't work
28 and we don't have any problem that way in the pipeline
29 industry. If you can't work, everybody goes home or back
30 to the bunkhouse or whatever.

Whiteford, Nessel,
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Cross-Exam by Bayly

1 MR. BAYLY: We've been presented
2 with a job, Mr. Whiteford, in which there are very rigid
3 schedule standards because the companies involved want
4 to avoid environmental problems and they want to stick
5 within certain schedules and there's a lot of money
6 riding on that and they have projected and say they have
7 talked to the contractors about how many days per month
8 they think, on the average, they will be shut down.

9 So, it sounds like at least
10 the company and the contractors have talked about this.
11 I want to know if the union has been approached on this
12 and whether they want to be involved in deciding, either
13 on a day to day basis or on the basis of setting certain
14 wind, temperature and darkness conditions under which
15 they won't work or whether they're prepared to leave this
16 in somebody else's hands.

17 A We've had
18 this same problem, environmental and everything else.
19 It's the same country, same northern country and we're
20 quite willing to go along with what we've already got.

21 Q So, if the company and the
22 contractors say, okay, we're going to shut down and you'll
23 get your standby pay, you don't want to be involved in
24 that decision? You'll leave that up to them?

25 A That's right.

26 Q All right.

27 WITNESS NFSSEL: Let me suggest
28 this; it's no different. You know, thirty below, forty
29 below, fifty below, it's all too damn cold anyway. But
30 there are conditions whereby you could work at forty below

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Cross-Exam by Bayly

1 and we've worked. I'm going on the old Fahrenheit
2 scale because I can't convert it. There have been other
3 situations when it's been ten below and the wind is
4 howling and a blizzard situation where you can't work.

5 So, you know, just common sense
6 dictates that. Our people are out there. They make more
7 money if they work than if they get standby pay. So, the
8 incentive for our members is to work and they'll work
9 everyday that is humanly possible. Again, common sense
10 prevails. The guy is not going to go out in a white-
11 out situation or in a blizzard situation and take a
12 chance on being frost bitten or being so uncomfortable
13 or being placed in a position where safety is compromised.
14 This just doesn't happen.

15 There's a mutually arrived at
16 point where the guys just say and the contractor just
17 says, guys, there's no point in going out today and
18 everybody agrees. There are other situations develop
19 where maybe--strangely enough in the summer months,
20 whereby the welding on a pipeline gets blown out. You saw
21 the wind boards and the tents and so on and so forth on
22 that picture. Sometimes they're not good enough,
23 particularly across Saskatchewan. The welders are blown
24 out and yet the ditch crew goes on and so on and so forth.

25 To try to set a condition in
26 an agreement whereby X number of degrees is too cold to
27 work and X number of degrees is too hot to work, on such
28 and such a day it's too dark or it's too light, this
29 doesn't make sense to try to do that.

30 Q All right. Well, let's

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Cross-Exam by Bayly

1 take the other situation. You told us some of the
2 conditions under which the mutual agreement is that you
3 won't work. What about the condition where the con-
4 tractor whose got some deadlines to make or the company
5 who's got some schedules to make as well says, this is
6 a border line day. You're going to work because we've
7 got to get going. It seems to me it's a good day and the
8 men say no.

9 WITNESS WHITEFORD: Nobody works.
10 I'm not going to try to compromise that situation. If
11 the guys have got their minds made up that it's too bitter
12 or whatever, or that the camp grub is no good, they are
13 going to shut it down. That's another fact of life in
14 the construction industry. There's no getting around
15 it.

16 Q Even though you may have
17 a no strike contract, there may be days when the men--

18 A It's not a strike. What
19 the hell, nobody is going to be expected to work under
20 unsafe conditions and our agreement provides that.

21 Q So, what you're telling me
22 is that the men will, under some circumstances, if they
23 don't agree with either the contractor or the company,
24 decide that the conditions are unsafe and won't work?

25 A Well, it's not a strike.

26 WITNESS ST. ELOI: You know, I
27 think we are talking about something here that actually
28 there's going to be special situations develop because
29 of this being the northern land and because it's so far
30 north. Situations which we've got to sit down if and when

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Cross-Exam by Bayly

1 the project gets the green light, we've got to sit down
2 and take an intelligent approach and incorporate these
3 special conditions in the agreement and that's the place
4 where this has got to be ironed out.

5 I really can't see--

6 Q Mr. St. Eloie, you've
7 changed your position, as I understand it. You said
8 that those things aren't normally in the agreement.

9 A No, we have clauses in the
10 agreement now which protects us. One mentions the
11 northern standards. We have a guaranteed forty hour a
12 week whether our people work or not, north of the 60th.
13 Am I correct? It's guaranteed forty-eight hours a week
14 whether they work or not. So, a lot of these things,
15 this isn't the problem with us. If it is a special
16 problem and we know there's going to be because there's
17 things that are not typical in an ordinary pipeline that
18 is going to occur on this project. We know that.

19 These are the things that all
20 this information should be correlated and discussed
21 during negotiations and we should come up with some
22 intelligent approach to them. We are prepared to do that.
23 As it stands right now, we're protected. We're not about
24 to give those things up unless there's a pretty strong
25 argument to change our opinion on it.

26 THE COMMISSIONER: What you two
27 gentlemen at the end of the table are saying is that
28 there's a limit to what you can write down on a piece
29 of paper and so much depends on what happens on the job.
30 I'm sure you're right about that.

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Cross-Exam by Bayly

1 WITNESS MARRIOTT: I'd just like
2 to say that I think we get into an area here, I think I
3 agree with Irv, that I don't see really it's a point.
4 Any contractor when he bids a job says--he makes his
5 own estimate of how many down days he has and normally
6 this is--it's a physical impossibility for him to move.
7 It's wind or rain or snow. There's common sense, a lot
8 of common sense, that says you just can't work and there's
9 no use going out there, keeping guys out there and they're
10 not doing any production. From that point of view, I
11 think it's immaterial.

12 THE COMMISSIONER: Well, let me
13 just say that I think we've exhausted the possibilities
14 of getting anything more out of you people on this
15 question. We have two companies here that want to build
16 this pipeline and the line that comes from Alaska along
17 the Arctic coast to the Yukon and across the Mackenzie
18 Delta, down through Richard's Island, past the Delta
19 towards the south, maybe 250 miles altogether, and it
20 will take a winter or more to build.

21 One of these companies--they
22 both have produced here pipeline engineers who you say
23 are the best in the world and with more experience in
24 northern construction than any others and no doubt you're
25 right. These two companies have a fundamental dis-
26 agreement. Arctic Gas says they can start building the
27 pipeline in late October, early November on the north
28 coast and the other company, Foothills, says you can't
29 until late January. It's too cold and it's too dark and
30 you won't be able to get anybody to work over Christmas

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Cross-Exam by Bayly

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1 and there are too many down days during that whole period.

2 So, we're wrestling with a
3 fundamental disagreement between these two companies,
4 each of them bolstered by very competent engineers and
5 construction people. So, the conditions up there, Mr.
6 St. Eloi, do appear in many respects to be very special
7 and perhaps not previously encountered even at Pointed
8 Mountain, which I think you were talking about, Mr.
9 Whiteford, and so on.

10 WITNESS ST. ELOI: I appreciate
11 that, Mr. Commissioner. We've had occasions where we've
12 made special arrangements for our people to work and
13 others to work as well to work right through Christmas.
14 This is all subject to negotiations. I think that this
15 is the type of thing that if and when the project goes,
16 it's got to be brought to light and we've got to come
17 up with some constructive approach.

18 Q Can I just ask you a
19 question about Pointed Mountain. The construction was
20 union, was it?

21 A Yes.

22 Q And the plant is non-union,
23 I take it?

24 WITNESS NESSEL: The operation
25 of the plant is non-union.

26 MR. BAYLY: Those are all the
27 questions I have.

28 WITNESS NESSEL: The other
29 question that was raised, Mr. Commissioner, was working
30 in the dark situation and that has created a problem

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Cross-Exam by Rayly

1 Normally pipelines set up on the basis of seven ten-hour
2 days. In some areas they work six elevens or six tens
3 or in the wintertime in Drayton Valley which is just
4 west of Edmonton, because it was an exceptionally severe
5 cold winter, they worked six eight hour shifts. That's
6 all that they could get done. So, the time constraints
7 so far as the working day is concerned will depend
8 largely on the elements.

9 The darkness situation hasn't
10 been a problem because the equipment has lights and
11 portable flight lights available and they are getting
12 more sophisticated all the time to the extent that the
13 artificial lighting conditions in many cases are better
14 than daylight conditions for fine work. I'm talking
15 about the welding and so on and so forth. That's not
16 been a problem. The darkness situation has been no
17 problem.

18 We've got two shifts going on
19 most of the construction jobs now.
20
21
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Dyck, Vt. Eloi
Cross-Exam by Bayly
Re-examination

Q Do you take the ice fog
into account there? Do the lights reduce the ice fog?

A Night fog, you betcha,
we've got lots of night fog around Edmonton and when
it gets that bad you just don't work. But the ditching
machines and that type of equipment, you know, there
probably wouldn't be any pipelaying operations at night
I don't know of any pipelaying operations on a two-
shift basis, but the ditching operations and the right-
of-way and clearing and sometimes the backfill and so
on and so forth, those would be done at night. That's
going on in all the construction jobs now.

MR. BAYLY: Those are all
the questions I have of this panel, thank you very
much gentlemen.

THE COMMISSIONER: Any
re-examination?

MR. GOUDGE: Yes, I have, I would
think 20 minutes or so, sir, to ask of this panel.
I'm in your hands.

THE COMMISSIONER: Well, let's
carry on.

MR. HOLLINGWORTH: Are these
questions going to be re-examination?

THE COMMISSIONER: Well --

1 MR. GOUDGE: I hoped you
2 would say any questions, sir. They are questions at
3 any rate.

4 Mr. Nessel, just while I'm --

5 Mr. Nessel, while I think of
6 it, you've been talking throughout of seven tens--

7 WITNESS NESSEL: Sorry?

8 Q You've been talking
9 throughout this afternoon of seven tens as the work
10 schedules that I take it exists in your contract now.

11 A The contract says go
12 overtime after 40 hours. We don't set the limitation
13 on what the contractor sets that.

14 Q And is it in practice,
15 seven tens?

16 A Generally on the mainland
17 jobs, seven tens.

18 Q Would you think it reasonable
19 for it to be seven twelves because we --

20 A Unreasonable.

21 Q Unreasonable.

22 A No, people can't put
23 up with seven twelve hour shifts indefinitely. For a
24 week or two in an emergency situation, the pipeline,
25 for instance, maybe the ditch gets a little bit behind
26 and they'll try to get in a twelve hour shift or the
27 right-of-way crew might try to get a twelve hour shift
28 in, but you can't get two shifts on equipment in twelve
29 hours. You can't get full production of twelve hour
30 shifts on a two shift basis. You've got to shut down

1 to service. So, if you're working in that respect
2 you're looking at ten hour shifts.

3 Q Now, the pipeline guide-
4 lines refer to collective agreements for this kind of
5 pipeline being negotiated between the applicants, that
6 is the owner and your trade unions. Is it your anticipa-
7 tion that that will be the case for the project agree-
8 ments you've talked about or that the agreement will
9 be between the Contractor's Association and your union?

10 A Well, as Chairman of
11 the Advisory Council, we've already made the applicants,
12 the two applicants, Canadian Arctic and Foothills aware
13 of the situation that we negotiate with the contractors,
14 we don't negotiate with the client.

15 Q In Alaska --

16 A Now, the only, -- you know,
17 he no doubt will be involved as a client, for instance,
18 as the client was involved, Syncrude, as the client
19 was involved in an indirect in our project agreement
20 negotiations between Canadian Bechtel and the building
21 trades and so on and so forth. But he has no -- he
22 has no control over the collective agreement.

23 Q And will not be a party
24 to it as far as --

25 A Not be a party to it, no.
26 We want to deal with the people who hire our members
27 because if there are grievances we want to be able to
28 settle them with the person who hires our members, not
29 the client.

30 Q In Alaska is the owner a

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1 party to the collective agreement?

2 A To my understanding he is.

3 Q And what's been the
4 experience there?

5 A Well, I'm sure that if
6 they had to do it over again, from the union's point
7 of view, if the opportunity were available they would
8 far sooner deal with the contractors.

9 Q Now --

10 A That was expressed to us,
11 I think, in Vancouver, was it not gentlemen?

12 WITNESS HODSON: Yes.

13 Q You wish to comment on
14 that, Mr. Hodson?

15 A No, simply
16 to maybe enlarge on what Mr. Nessel said and that is that
17 we had representatives of the International Union, who
18 were familiar with the Alyeska Pipeline and the manner
19 in which that agreement worked and they gave us the
20 opinion that it would be a far better arrangement if
21 the unions in Canada negotiated with the contractors
22 or the Contractor's Association rather than directly
23 with the client.

24 Q Now, Mr. Nessel, on page
25 seven of the evidence that you delivered or that Mr.
26 Hodson delivered on behalf of the council, you refer
27 to -- at the bottom of the page, any transient workers
28 seeking employment at any location north of the 60th
29 parallel must be instructed to seek employment through
30 the appropriate hiring hall. Do you anticipate those

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1 hiring halls will be only in the south for southern
2 employees?

3 WITNESS NESSEL: Well, things
4 don't change from what we had contemplated when we
5 put this agreement together for the northern work. We
6 foresee the staging area being Edmonton and
7 other than bona fide local residents will have to be
8 hired through their hiring halls in Edmonton, through
9 the staging areas because to do otherwise just invites
10 disaster on the local communities, everybody and
11 his dog comes in here and thinks he's going to get hired
12 at the gate.

13 The other thing that it does,
14 that type of a situation is breaks down the established
15 transportation and travel time clauses that are in the
16 existing collective agreements. We're not going to
17 let the contractor hire at the gate.

18 Q Off the bank.

19 A Or off the bank as they
20 say. Or out of the bank.

21 Q A couple of questions
22 about the dispatching function, Mr. Nessel, you said,
23 in answer to Mr. Steeves, that as between equally
24 qualified southern applicant and Yellowknife applicant,
25 the Yellowknife applicant would get the job. I under-
26 stood that part of what you said. You qualified that,
27 I think, by saying that if there were a safety factor
28 involved, the reverse would be true if the southerner
29 would provide greater safety, is that a fair capsulization
30 of what you said?

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1 A Yes, I think so. You
2 see, again, what happens in practice. Once the contract
3 is awarded to a contractor, there's a pre-job conference
4 conducted, I've referred to that earlier, and the
5 manpower requirements are determined at that pre-job
6 conference. Just as an example, oh, let me look at
7 the last one that we talked about, was the Banister
8 Pipelines and the Canadian Western Gas job out of
9 Calgary, 18 -- 16 or 18 miles or something like that
10 of 20 inch . A week or two before the job started,
11 we sat down with the contractors, all of the four
12 unions and they gave us the details of the job. The
13 job was scheduled to start on such and such a day with
14 so many people on the right-of-way, followed a week
15 later by the welding crew and then a week later by
16 the clean-up and so on and so forth, so the logistics
17 are established ahead of time. We would then know,
18 under this type of a situation, probably several months
19 in advance what the manpower requirements would be.

20 Now then, we get into the
21 situation of recruiting and the contractor says, all
22 right, I need 30 dozer operators for my spread and
23 we know from the information that's been assembled with
24 the co-operation of all concerned, that there are 15
25 available, fairly reasonable commuting distance to his
26 job and he says, well, all right, I could probably use
27 10 of them, right to begin with on the right-of-way, but
28 the others, by virtue of the nature of the work and
29 the handling of the material and knowing how to cut
30 the right-of-way and so on and so forth will have to

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1 be experienced. So, I can take 10 out of the 15, the
2 other five will have to wait until the clean-up starts.

3 Q Stopping you there,
4 that's the dispatcher who makes that decision.

5 A Yes, the dispatcher
6 will know, the union dispatcher or the business agent
7 or whoever might be involved knows ahead of time the
8 type of people required and the functions they are to
9 perform. When they commence, for instance on the pipe-
10 laying operations, naturally the right-of-way is pre-
11 pared the pipe is strung and the ditch is dug and
12 the pipelaying starts. Sometimes the pipelaying goes
13 ahead of the ditch, but not too often.

14 At that stage then, you know,
15 then they start getting into side-boom operators and
16 the first side-boom operators are very, very critical.
17 You need somebody to unload the pipe, which is generally
18 done with booms. You need somebody to feed the bending
19 machine and set up the pipe for that, that's generally
20 two tractors on big inch, that's very critical.

21 You get into the actual
22 pipelaying operations and you've got the setting-in
23 tractors and, you know, you can count on one hand any
24 maybe cut your thumb off, the number of guys that are
25 available in Canada to do that on a regular basis.

26 We had enough guys for seven
27 spreads last year so there might be 10 or 15 set-in
28 drivers available in Canada and then from there on back
29 the skill requirements get a little lesser. The tie-in
30 crew can take maybe a green side-boom hand, you know,

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1 maybe somebody whose been through the training programme.
2 The river-weight crew, you know, there'll be some river
3 weights set, they could take a green hand or so, the
4 rock drills for the digging.

5 But to the extent that safety
6 is not compromised, then a dispatch would be issued to
7 the local resident, either by mail, by telex or whatever
8 method and he would go directly to the job and be hired
9 by the contractor. Thereafter, he'd preform the same
10 as any of the others on a day by day basis.

11 Q Thank you. Now, one
12 practice that exists, I take it, in the industry at present,
13 and Mr. Hodson, perhaps I can direct this to you, is the
14 practice of what's called name requests for individual
15 employees, is that so?

16 WITNESS HODSON: That is
17 correct.

18 Q Is that built in -- perhaps
19 you might explain first what that is.

20 A Well, the name request
21 principle is the -- when the contractor, either at the
22 pre-job conference or subsequent to that submits names
23 to the union of individuals who have been in his employ
24 previously and whom he particularly would like to have
25 back and if those people are available, booked into the
26 union hall, the unions usually accommodate the contractor
27 and send him the name requests.

28 Q Is that built in to the
29 collective agreement?

30 A In some of the collective

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1
2 agreements there are provisions for a percentage ratio
3 to be selected on a name call basis by the contractor,
4 in others, there's no ratio stipulated, it merely says
5 that the contractor shall order his men through the
6 union and they work that out between themselves.

7 Q Mr. Nessel, is that such
8 an industry practice that you anticipate it being in
9 this project agreement?

10 WITNESS NESSEL: We don't
11 see any difference in the dispatch procedures under the
12 existing agreement in the Northwest Territories or the
13 hiring procedures. There's no difference, they're the
14 same all across Canada.

15 Q So, the name request
16 provision, you would anticipate being in this project
17 agreement, as it is in some of your other agreements?

18 A Well, we can't see
19 changing the hiring procedure of the existing agreement
20 in a project. We think that that would remain the
21 same. Again, bearing in mind that the local resident
22 would have to be accommodated. There's going to have
23 to be something over and above in a project agreement
24 or whatever agreement we arrive at and I should point
25 out that the collective agreements in the pipeline
26 industry all run out the end of April next year and
27 they're all subject to renegotiation. So, you know,
28 we can go two ways from the union point of view. We
29 can either look at the situation and just simply
30 renegotiate our agreements for Canada contemplating what

1 we're going to do in the Northwest Territories, as we
2 did in the past, or we can look at the Mackenzie Valley
3 situation as a separate project type agreement and just
4 negotiate that separately after we've concluded other
5 negotiations.

6 Q Now just one or two
7 questions regarding training and possible role of
8 the unions and the contractors in the training process.
9 Mr. Nessel, have you given any thought to the practical
10 limitations that may exist concerning numbers of
11 trainees that can be accommodated per spread on the
12 kind of project that we're envisaging here?

13 A Yes, again. We've had
14 this situation, we've developed this, we've had some
15 people come out of the side-boom courses and out of
16 the backhoe courses and so on and so forth that we've
17 conducted throughout the country and they couldn't --
18 we had 20 per course and we conducted two courses so
19 at the end of the last side-boom course in McMurray
20 there were 40 trainees available who had some basic
21 skills and ability in the operation of side-booms.

22 There's no way that one
23 contractor could absorb those 40 trainees, they'd have
24 to be spread out over the line. I can't give you a
25 percentage, but I can give you an indication where they
26 could be used. They -- you could use some side-boom
27 trainees, for instance, on the cradling rock drills,
28 setting river weights, one or two on the tie-ins, maybe
29 on the lower end and that would be the extent of it.
30 Maybe four or five on a big inch spread.

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Q Four or five trainees?

A Four or five trainees

in the side boom.

Q On side boom.

A Yes, now on the backhoe

courses that we've conducted just about any one of them could step right out and start digging ditch because again they are working by themselves. You know, there's nobody around them and they've got a piece of ground to dig up and if they drop the bucket they might break a tooth off or they might break a cable or whatever but **they're** not going to -- you know, their employment is such that they're not a hazard to somebody else if they make a slip.

Q Without going through all the pieces of machinery, let me put to you as a possibility that 10% figure, 10% ratio of trainees to fulltime journeymen on a spread is a top limit and ask you whether that's a realistic figure taking the spread as a whole?

A Wait a minute. Wait till I count some noses. It could be higher.

Q It could be higher?

A It could be higher in the principle and intermediate categories and the number certainly on a spread could be a lot higher by virtue of the fact that you've got oilers on every ditching machine, on every backhoe on every on every clam, on every mormanboard. Most cases the

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1 mechanics will have a helper, not always, so it could
2 be somewhat higher but in the skilled operator
3 category, I don't think it could be higher than 10%.
4 Is that fair? Does that answer it for you?

5 Q Yes, do any of the other
6 gentlemen on the panel want to comment on that estimate
7 I gave? Mr. St. Eloi?

8 WITNESS ST. ELOI: Speaking
9 for the U.A. we don't have any apprentices on the
10 pipeline. We've got welders helpers. There's one for
11 every welder.

12 THE COMMISSIONER: They can
13 move up to welder, can they?

14 A Well, if he likes the
15 industry and he wishes to stick with pipelining, well,
16 and he shows some signs of progress, we'll put
17 him in the welding school for a couple of months.
18 He takes a bit of theory but it's not like the plant
19 training. We've got a properly constituted apprentice
20 training program for pipefitters. It's much different
21 than the pipeline.

22 MR. GOUDGE: Let me perhaps
23 ask the question in a slightly different way. Is it
24 and Mr. Nessel, let me begin with you. Would it be
25 realistic to ask for your trade that there be developed
26 a realistic number of training positions in your trade
27 for this project that could be established by some kind
28 of requirement?

29 WITNESS NESSEL: I think that
30 that would be reasonable. I think that could be

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1 accommodated.

2 Q Would you agree with that
3 for your trade, Mr. St. Eloi?

4 WITNESS ST. ELOI: 10%?

5 Q Well, I don't suggest a
6 figure here. It would have to be -- is it work --
7 can you work it out?

8 A We normally don't train
9 plumbers and pipefitters on an industrial project. They
10 learn the trade to install a piping system in a building
11 and then from that point on, they branch out into
12 instrument mechanics or pipefitters in an industrial
13 plant and this is one of the comments I made in my
14 brief that one of the fears that we have when we have
15 an apprentice on an industrial site, he's not going to
16 wind up as a journeyman with various diversities. He's
17 going to have to -- if he wants employment security, he
18 is going to have to learn to put the plumbing and heating
19 in a building, not just an industrial plant. This is
20 one of the areas I think we'll have to work out some
21 cooperation with some of the people in the north to do
22 the other phase of the work as well.

23 Q What about for the
24 labourers? Would the scheme I proposed be applicable
25 for your trade?

26 WITNESS DYCK: Could you repeat
27 what your scheme was?

28 Q To develop a realistic
29 number of trainee positions taking the project as a
30 whole in your trade that could be stipulated by some

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1 kind of requirement?

2 A Yes, I think it could.

3 Q Mr. Whiteford, what
4 about for the teamsters?

5 WITNESS WHITEFORD: Well, we're
6 in a little bit of a difficult position. The only thing
7 we could do as far as /it's not really training. First of all,
8 the man must be a licensed driver so we have been
9 working, trying to figure out a training program that
10 would cover truck drivers.

11 On the actual spread there
12 could be an upgrading if you want to call it that, from
13 maybe a flatdeck truck to a larger piece of equipment.
14 That could be done but the biggest majority of our
15 work is very skilled work, stringing trucks which is
16 a pretty dangerous operation and how you would train
17 people on the job for that, I don't know. We haven't
18 come up with an answer on that.

19 Actually most of the
20 people that go on the pipeline as truckdrivers learning
21 driving truck on pipelines usually have had years
22 of experience somewhere else in the construction of
23 other fields or building supply or freight lines, you
24 know.

25 THE COMMISSIONER: You gentlemen
26 are saying that with respect to the welders and with
27 respect to the teamsters, the training program isn't
28 something that fits into the scheme of things very well.
29 You say, Mr. Nessel, that it is something you can work
30 into the trades that you represent and I gather, Mr. Dyck,

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1 that in the case of the labourers, it isn't that
2 much of a problem because in many positions that
3 your members fill previous training isn't all that
4 important anyway. Have I got it right?

5 WITNESS DYCK: I don't know
6 whether I agree with you or not.

7 Q Make sure I understand this.
8 Your plane is at 10:15. This is the last --

9 A It's a misconception a
10 lot of people have. I remember when Syncrude started
11 1974 that the contractors had the same idea at that
12 time that labourers didn't need any training. The same
13 thing in the government. They thought all they needed
14 was a strong back and a weak mind. I think that it has
15 been proven over the last two years that that is all a
16 farce. The training is very important especially
17 with native and Metis people. The percentage of the
18 people that are staying on the jobs and doing the work
19 a lot better more efficiently that they have gone
20 through our training school compared to the ones that
21 we had at G.C.S. There's just no comparison. I
22 would say it is 100% improvement.

23 Q Over Great Canadian.

24 A Yes, there was a hundred
25 percent improvement on the people now that they are
26 going through the training school compared to the ones
27 that went to work at Great Canadian without any training.

28 Q Now, that's, you contribute
29 that improvement to pre-employment training?
30

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1 A Yes.

2 Q Not to on-the-job
3 training.

4 A No, this is pre-employment
5 training, a five-week course that we are running at
6 Fort McMurray and have since 1974.

7 Q Yes, right. Well, I'm
8 glad you cleared that up.

9 MR. GOUDGE: Some more questions,
10 Mr. St. Eloi. You referred to some or let me ask you
11 about the possibility of some flexibility in construction
12 work schedules in this way.

13 We were told by Arctic
14 Gas that their company policy would be that once
15 northern residents were hired the company, Arctic Gas
16 would be flexible in establishing construction work
17 schedules for northern residents in order that
18 community and personal requirements could be taken into
19 account. Is that consistent with your view about the
20 operation of your trade on this project?

21 WITNESS ST. ELOI: Well, the
22 pipeline end of it, the only training you get is working on the
23 line itself but in the plant construction, we can set
24 up crash programs with a day's notice as long as the
25 facilities are there if we have available accommodations.
26 We've got the textbooks, curriculums, the qualified
27 instructors and we can set it up with a very short notice.

28 Q Let me move you from --

29 A In all phases of our
30 trade.

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Q Let me move you from training to the actual construction process and ask you whether what I read to you as being Arctic Gas's proposal is consistent with the way you would foresee your trade operating on this project.

A Would you read that to me?

Q I will read that to you again. Arctic Gas says that once northern residents are hired on the construction project, their company policy would be to permit schedules for construction work for northern residents so that community and personal requirements can be taken into account. Is that something that you would --

A I disagree with it. I think that if the northern resident is going to work under the terms of our collective agreement, he is going to do the same as any other member of ours. I agree that there's got to be flexibility in the time allowed for him to get to the job because of the communication problem and things of that nature but I really don't agree with setting up special provisions because he wants to take a month -- someone wants to take a month off that they can do it. I think they have got to be treated the same as everybody else, the same as every other Canadian.

Q Mr. Nessel, suppose -- can I put the example to you and ask you for your comment?

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1
2 WITNESS NESSEL: I don't think
3 that it is practical. It doesn't seem to me again as
4 I said before that they can have two sets of standards.
5 Assuming that you have got a half a dozen northern
6 residents working on the right-of-way as dozer operators
7 you know, and that's not hypothetical. That could
8 happen. And all of a sudden, the muskrat started
9 rutting or the fishing season is on or whatever happens
10 and the northern resident decides that he is going
11 to pack her up for a month and go home. I don't think
12 that the contractor would stand for it. It
13 wouldn't bother me from a union point of view because
14 they would just be on the phone and saying "Hey, we
15 need some more hands out here." And to the extent that
16 it were possible for us to supply them from whatever
17 source were available, we would supply them.

18 You know, I don't see
19 how they can say that they are going to schedule their
20 construction program to coincide with the hunting and
21 fishing or community requirements of native northern
22 residents. Now, that seems to me to be a fallacy because
23 it just won't add up. They're not going to shut half
24 of the job down in order to let the boys go ratting.

25 Q But the real problem from
26 your point of view is the contractor's production and
27 the effect on it of this kind of scheduling?

28 A Well, you know, they can't
29 keep the job going on that basis. If they could
30 schedule their construction program such that it falls

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1 between the hunting season in the fall and the fishing
2 season in the spring or whatever, fair ball. That
3 doesn't bother me at all. That's up to them and if
4 they let the contractor get away with it, you know,
5 I'm damn sure that they are not going to allow
6 extras for the contractor to maintain his camp and
7 personnel and so on and so forth on a nonproductive
8 basis very long simply because of the hunting or the
9 fishing season.

10 THE COMMISSIONER: You say
11 that when they go to Morgan Stanley on Wall Street for
12 more money because they lost a year and explain
13 the reason why ^{it} might not be sufficient.

14 A Well, if they can convince
15 them, that's fair ball. We'll go hunting and fishing
16 and ratting with the boys too.

17 MR. GOUDGE:

18 Q Finally, let me ask the
19 panel and I'll begin with you, Mr. Nessel, to comment
20 on the Arctic Gas northern preference policy and ask
21 you whether it isn't in fact consistent with yours.
22 Arctic Gas indicated to the Inquiry some time ago that
23 in situations in which the qualifications of a northerner
24 and a southern resident ^{are equal}, the northern resident will be
25 given preference. You would see that as entirely
26 consistent with what you have told us?

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1 A We've always accepted that.

2 Q And then you go on to say,

3 "In any case, where the qualifications of a
4 particular job can be relaxed, the company policy
5 is to do so for the northern resident and then give
6 him preference over a fully qualified southern
7 resident for that job".

8 Do you see that as consistent
9 with what you've told us today?

10 A I've got to stop you
11 there because if Arctic Gas is talking about the operation
12 of their own facility, that's one thing. If they're
13 talking about imposing military restrictions on the
14 contractor, which they may well do, because I understand
15 on the Alyeska situation that has happened. Those
16 restrictions--if that's the way they want to play the
17 game, we can live with it.

18 Q Thirdly, they say,
19 "In those cases where a candidate cannot meet the
20 relaxed qualifications, special training will be
21 made available to bring skills up to a level
22 satisfactory for employment".

23 They mean their northern
24 candidate. Once again, you can live with that?

25 A We can live with that.
26 We don't know who is going to fund the training. That's
27 part of our problem at the present time. If Arctic Gas
28 wants to fund it and let the contractor carry the extra
29 guides on his payroll while they earn it, that's great.
30 That's just that many more people on the job for us.

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1 You know, that's a good deal.

2 On the other hand, if they don't
3 want to do it, then somebody should be doing it and we're
4 going to be going after, as we indicated in our brief,
5 we are going to be going after Canada Manpower. Yet,
6 we're reluctant to say to Canada Manpower, we need a pile
7 of money to get some more side boom courses going because
8 if they don't get some regulatory authority to build the
9 pipeline pretty soon, we've got Side boom operators out
10 of work right now. We don't need to train anymore right
11 now. If they decide to build the line we will have to
12 train some more.

MR. GOUDGE: Lastly let me leave
13 with the panel--sir, I've provided some of the members
14 of the panel with a report that we'll be distributing
15 if we have not already done so to the participants. It
16 was a report that fell into our hands and it was prepared
17 by Gemini North for the Department of Indian Affairs
18 and Northern Development and we have made copies of it.
19 It's entitled "Trade Unions in Canada and the Northern
20 Residents", and I would like to ask the panel to, if
21 they would at their leisure, on the plane on the way home
22 tonight, look particularly at the last twenty pages of
23 the report which contain a detailed series of recommen-
24 dations for a manpower delivery system, dispatching,
25 training and the role of unions and contractors in those
26 processes.

27 If you would be good enough,
28 gentlemen, if you have any comments on reading this
29 material, perhaps through Mr. Hodson you could provide
30 us with a letter containing those comments. We, at least

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1 would find it most useful and I think the Inquiry would
2 as well. So, if I could leave that with you and then
3 that would conclude the questions I have for this panel.

4 THE COMMISSIONER: The last
5 twenty pages? How long is this?

6 MR. GOUDGE: It's a hundred
7 pages, sir.

8 WITNESS HODSON: We'll be quite
9 prepared to do that, after studying it, if we feel we
10 have any comments.

11 THE COMMISSIONER: Yes, and
12 if, Mr. Hodson, when you people are going back on the
13 plane, you know, don't feel that we expect you to devote
14 a week of your lives to looking at this thing but if
15 you get a chance to look at it on the plane and just send
16 us an informal letter back, you know. It doesn't have
17 to be a brief or anything, just your thoughts. We don't
18 regard anything you write down on a piece of paper as
19 binding you forever. It's just a supplement to what you
20 told us today. Is that okay?

21 MR. GOUDGE: That's exactly
22 what I'd like, sir, if the panel would be good enough.

23 MR. BAYLY: I wonder if Commissioner
24 Counsel
25 would be able to distribute copies of that tomorrow.
26 We may be able to use that in cross-examination of the
27 next panel.

28 MR. GOUDGE: Yes, we have a
29 limited number of copies, sir, as many as our Xerox would
30 produce today and we can provide, I think, the
31 participants with copies.

1 THE COMMISSIONER: What's the
2 next panel?

3 MR. GOUDGE: The next panel, sir,
4 is a panel of the Alberta Building Trades. We propose
5 to begin with that at 9:30 in the morning if it suits
6 you.

7 WINTESS NESSEL: On behalf of
8 of the Council we appreciate the opportunity of
9 coming before you and we hope that our discussions here
10 have been helpful. We are prepared to make ourselves
11 available, I think, individually or as a Committee at
12 your call or if you'd feel that you'd like to talk to
13 us some more, give us a shout and we'll try to
14 accommodate the situation as quickly as we can.

15 THE COMMISSIONER: Well, thank
16 you very much, Mr. Nessel. I think it's been a useful
17 day. We all appreciate the patience you've shown in
18 acquainting us with the way the industry works on the
19 job and that's important because there's no point in
20 making recommendations to the government which don't
21 take into account what is really likely to happen.

22 Well, thank you Mr. St. Eloi
23 and Mr. Dyck and Mr. Marriott, Mr. Hudson and Mr.
24 Whiteford and we'll adjourn until 9:30 A.M. and thank
25 you again.

26 (PROCEEDINGS ADJOURNED UNTIL SEPTEMBER 8, 1976)
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